Wednesday September 24 1986

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World news

Israel Marine bombs bases in in \$585m Lebanon merger

Israeli Air Force aircraft bombed terrorist bases east of Damour, in the Druze hills, near Beirut, the Israeli Defence Force announced. It said the aircraft had made accurate hits on headquarters buildings be-longing to the Syrian-backed Abu Musa group and the Democratic Front for the Liberation of Pales-

The attack followed a warning by Mr Yitzhak Rabin, the Defence Minister, that Israel would hit back hard at the radical Lebanese Shia who have stepped up their attacks on the South Lebanon Army in re-

Earlier, Soviet-designed Katyusha rockets hit two positions of the French peacekeeping force in Leba-non. There were no casualties. Israeli reaction, Page 5.

US considers aid

The Rengan Administration is considering giving \$500m in aid to South Africa's black neighbours as part of new US measures against the Pretoria Government. Page 20

Weinberger criticised An attack by US Defence Secretary

Caspar Weinberger on the defence policies of Britain's opposition Labour Party drew angry accusations.
that the Reagan Administration
was interfering in the internal affairs of its closest European ally.

Steel defeated

British Liberal Party leader David Steel suffered an embarrassing setback to his hopes of producing a joint Alliance nuclear defence policy with the Social Democratic Par-

Nuclear agreement

Governors of the International Atomic Energy Agency were expected to give an easy passage to proposals for boosting international co-operation on nuclear safety in the wake of the Chernobyl disaster.

N-plant cleared Spain's Nuclear Safety Council

Argentina strike cali

Argentina's General Confederation

Red Brigade escape

Two convicted members of the Red Brigades guerrilla group escaped from a hospital in Novara, Italy, after sawing through the bars of sky-lights in their rooms.

Bombings kili nine

The death of a policeman in hospital brought the toil from the wave of bombings in Paris in the past two weeks to nine dead and at least 160

Ecevit acquitted A Turkish court acquitted former Prime Minister Bülent Ecevit of breaking a law banning his return

the 1980 military coup to resume their political activities. Uganda border

Uganda has agreed to reopen its border with Sudan, closed after Kampala accused Khartoum of helping Ugandan rebels.

Haiian kidnap

Paolo Astesana, aged 22, son of a wealthy north Italian farmer and livestock importer, was kidnapped. Kidnappers are demanding a ransom of Libn (\$700,000) from his

Midland

Business summary

No. 30.040

MARINE MIDLAND, majorityowned New York subsidiary of Hongkong and Shanghai Banking, is to pay at least \$585m for First Pennsylvania Corporation. The proposed interstate banking merger would take effect within a year after March 4 1990, under present

US SEMICONDUCTOR industry has won a hig victory in its effort to protect its chip designs from al-leged Japanese copyright infringe-ment with a Federal judge's ruling that the "microcode" program in microprocessors is covered by US copyright law. Page 5

WALL STREET: The Dow Jones dustrial average closed up 4.38 at 1,797.81, Page 44

LONDON: Financial markets were preoccupied by evidence of a large drain on investment funds caused by the Trustee Savings Bank's flotion of 1.5bn shares this week. The FT-SE 100 share index ended 7.1 down at 1,610.0, while the FT Or-dinary index finished 10.9 lower at

DOLLAR closed in New York at DM 2.0535. SFr 1.6605, FFr 6.7195 and Y154.75. It advanced in London to DM 2.0510 (DM 2.0315), Y154.60 (Y153.60), SFr 1.60 (SFr 1.6385) and FFr 6.7075 (FFr 6.6450). Its exchange rate index rose from 110.0 to 110.7. Page 37

STERLING closed in New York at \$1.4480. It bounced back in London after Bank of England intervention. Its exchange rate index closed at 69.7, up from 69.5 on Monday and a record low of 69.0 when London opened. It rose to DM 2.9725 (DM 2.9575), SFr 2.4050 (SFr 2.3725), FFr 9.72 (FFr 9.6775) and 7.224.6 9.72 (FFr 9.6776) and ¥224.6 (¥223.75). It slipped to \$1.4490 (\$1.4565). Page 37

GOLD eased back in London to close down \$5% at \$433 an ounce. In New York the Comex December settlement was \$436. Page 36

ORANGE JURCE futures prices in New York have risen sharply since the end of last week and ye they topped \$1.09 per lb in the January position. Factors behind the rise include curbs on exports by Brazil. Page 36

plant a clean bill of health after POCIAIN, loss-making French byvalve malfunctions had prompted draulic excavator group, suffered an increased group net deficit of FF. 100.2m (\$15m) in the first half of 1986, compared with FFr 39.6m in

the first half last year. Page 21 of Labour announced an 11-hour PHARMACIA, Swedish pharma-general strike for October 9 to pro-ceuticals and biotechnology group. ceuticals and biotechnology group, and Electro-Nucleonics, US biomedtest against the government's eco-nomic policies. The action will be the seventh general strike during President Raul Alfonsin's 34-stake in the US group which in turn will have exclusive US distribution rights to certain Pharmacia prod-

ucts. Page 21 SAIPEM, oil and gas pipelaying and drilling subsidiary of Italy's ENI state energy group, saw its profits and revenues take a substantial drop in the first half of this year following the crisis in the world oil sector. Page 24

ALUSUISSE would take about three years to "work its way out of the present crisis," according to Dr. Hans Jucker, chief executive officer of the parent company, Swiss Aluminium, Page 21

HAMMERMILL Paper, largest US producer of fine writing paper, which has agreed to merge with In-ternational Paper, achieved a jump to active politics, giving the green in third-quarter operating earnings light to party leaders banned after to \$15.4m from \$5.6m. Page 22

BANCA COMMERCIALE Italiana, Italy's second-largest bank in terms of total assets, announced a 42 per cent jump in net profits in the first six months of this year, to L84.7ba (\$46.6m). Page 21

SKANDINAVISKA Enskilda Banken, leading Swedish bank, increased its operating profits for the first eight months of the year by 98 per cent, boosted by falling interest rates. Page 21

SUMITOMO, Japanese tyre maker, said the loss-making UK Dunlop plants it took over in 1985 are set to be in profit next year. Page 12

DEUTSCHE BANK TO LEAD INTERNATIONAL SHARE PLACING

Agnellis to raise stake as Libya sells out of Fiat

By Alan Friedman in Milan

family's stake in the Italian motor and industrial group. It will also remove a possible bar-

tracts in connection with the US

The Libyan stake, which includes 15.19 per cent of Fiat ordinary shares, had a market value yesterday of nearly \$3.3bm. It will be sold at a discount, however, to net \$3.15bm based to the selling prices

west Germany's Deutsche Bank Libyan directors resigned last will place two-thirds, or roughly night.

Sibn, of the Libyan shareholding.

Deutsche Bank vesterday began The remaining one-third, including 10 per cent of Fiat ordinary shares, will be purchased by Ifil, an Agnelli family vehicle which already owns

family vehicle which already owns.

31.3 per cent of Fiat.

Fiat shares jumped by nearly 4
per cent on the Milan bourse yesterday, closing at L16,600.

Fiat also said yesterday that pretax consolidated profits had nearly doubled to L1,647bn (\$1.17an) in the first six manths of this year, on

The Libyan Arab Foreign Investchairman, has been trying for many months to get the Libyans to sell out. The presence of two Libyans in

Deutsche Bank yesterday began contacting institutions about the hige share placing operation, to be over to the Agnellis.

One mainly through the London market. On offer are 5 per cent of reaches been granted a FFr 1bn ordinary Fiat shares, 13 per cent of two-year revolving credit agree-

and 29.34m savings shares. Deutsche Bank said Fiat ordinary shares will be placed at \$11.28 a

LIBYA is to sell its shareholding in from L13,006bn. In a further deshare, while preference stock will fait. The sale will raise more than monstration of the steady financial, have a placement price of \$7.08 and \$3.1bm and increase the Agnelli recovery it has achieved in recent savings shares \$6.75. The savings years, the company reported that shares will come with an entitienet debt fell to L830bn from ment for holders to purchase stock L3.074bn a year earlier. It forecast a in Coman Finanziaria, a holding

> Fiat said that Mediobanca the Milan merchant bank, would also ment Company first bought the obtain shares. One senior banker in stake for about \$300m ten years Milan said that Mediobanca which ago. Mr Giovanni Agnelli, Fiat is a close ally of Mr Agnelli, would end up holding 2.5 per cent of Fiat ordinary shares.

Fiat said that the Agnelli family's purchase of 10 per cent of ordinary shares, to cost a little over \$1.1bn, would be financed by Mediobanca. Mediobanca has traditionally fi-nanced Agnelli deals by issuing bonds and then turning proceeds

preferred stock and 13 per cent of ment by a group of major French non-voting savings shares. The to-tal Libyan package consisted of credit line is designed to help fi205.1m ordinary, 88.3m preferred nance the commercial operations of the group in France including those

Shevardnadze renews attack on Star Wars

BY OUR UNITED NATIONS CORRESPONDENT

THE SOVIET UNION responded yesterday to President Ronald Reagen's UN speech on arms control with another attack on his strategic defence initiative, on his strategic defence initiative, charging that "evil designs are being passed off as good intentions and a sword for a shield." Mr Eduard Shevardnadze, the Soviet Foreign Minister, said that

ertion that so-called Star Wars to the Falklands question. would increase global security.

In fact, he said, it was an attempt to conceal an attack on the main pillar of stability, the 1972 Anti-Ballis-

years," Mr Shevardnadze said.
"Everything is carefully calculated here, for it is precisely in seven

"Bir Chillies Howe, British For. eign Secretary, expressed grave, concern yesterday at reports that Argentina had concluded a Datadum to the United Nations he said that this undermined pros-

years that they plan to prepare ty permitting deployment.

Without such agreement, would be free to deploy such tie Missile treaty. The intention is it not be more sensible to work for to get the treaty out of the way an agreement on a complete elimination of nuclear missiles, whether strategic, medium-range or any oth- the so-called defensive space shield er, as we are proposing?" In his speech to the UN on Mon-

day, Mr Reagan indicated a willing ness to make concessions on Star layed 15 years. The President said that there would be no deployment of any space-based missile systems for at least 7½ years if the Russians would agree to a US proposal by which each side would continue to prohibits the deployment of such systems, and then negotiate a trea-

Without such agreement, the US would be free to deploy such a system after 7½ years, after giving six months notice.
Whatever is done to conceal it,

Continued on Page 20 Details, Page 24

China signs \$4bn N-plant deal

CONTRACTS were signed yesterday for a \$40n nuclear power sta-tion at Daya Bay in southern China after seven years of negotiation and in the face of mounting protests from the people of nearby Hong

The Guangdong plant is China's largest joint venture project and diplomats believe it will be the only nuclear power contract involving large-scale purchases from foreign

The station is to be run by the The station is to be rim by the Guangdong Nuclear Power Joint Venture Company, which signed supply contracts with Framatome of France for pressurised water reactors, with Electricité de France (EdF) for engineering design and Britain's GEC for the turbines.

Negotiations for the plant began in 1979 and became more sensitive following the Chernobyl accident.
Anti-nuclear protests in Hong Kong
- the plant is 50 km from the Hong Kong border – have gathered momentum in recent months, directing
contract, estimated to be worth FFr
attention at whether China is capable of running a nuclear plant
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state-run Guangdong Nuclear In- are not making automobiles or

vestment Company and 25 per cent watches." owned by the Hong Kong Nuclear Investment Company – a safety Innestment Company and 25 per cent wateres.

The EdF contract is worth FFr Innestment Company and 25 per cent wateres.

The EdF contract is worth FFr Innestment Company and 25 per cent wateres.

The EdF contract is worth FFr Innestment Company and 25 per cent wateres.

nothing to fear. power plant but that will not ment. change our attitude toward develop-

ing the nuclear power industry." when the first generator is commis-china, however, has lowered its sioned, which is expected to be in nuclear aim in the past year. The goal had been to build 10 nuclear power stations by the end of the century but senior officials said in 15 years. Foreign exchange earn-

Mr Leny denied reports that China had requested and received generous discounts on the Framatome

Zhao Ziyang, the Chimese Premisigned a loan agreement with the er, said after the signing the country should pay greater attention to the safety of nuclear power plants after the accident at the Chernobyl Export Credit Guarantee Department of the chernological statement of the

April there "would not be an ambi-ings will come from the sale of 70 tious plan" for nuclear power and per cent of the plant's output to that "in the future we will rely mainly on our own efforts."

Hong Kong. China will be the sole owner of the plant by about the

attention at whether China is capable of running a nuclear plant contract, estimated to be worth FFr 6bm (\$909m). He said the equipment cost was within 1 per cent to 5 per cost was within 1 per cent to 5 per cost was within 1 per cent to 5 per cost was within 1 per cent to 5 per cost was within 1 per cent to 5 per cent of the company's last sale to South Korea. We really cannot look, the Chinese nuclear market blad been thought by some industry observers to be worth up to \$20bn.

Britain and US unveil plans to curb fraud

THE US AND UK vesterday unveiled the first comprehensive agreement between regulatory au-thorities aimed at cracking down on international fraud and malpractice

standing, which is to be followed by more formalised US-UK mutual ssistance treaty, is expected to pave the way to a series of other bilsteral agreements, particularly be-ween the UK and Japan and the UK and several European countries. The signatories of the memorandum are the UK's Trade and Industry Department and the two US regulatory authorities responsible for the securities and futures markets, the Securities and Exchange

sets, the Securities and Exchange Commission (SEC) and the Com-modity Futures Trading Commis-sion (CFTC).

The agreement Lays down a framework for the confidential exchange of information between US and UK regulators to assist their investigations. It supersedes an infor-mal set of case-by-case arrange-ments which are considered slow and clumsy and are often a source

The chief areas of concern are dealing in company shares on the basis of inside information, fraudolent misrepresentation by dealers and market manipulation, in particular the "cornering" of commodity markets and excessive buying and selling of securities to create a false impression of activity. Exchanges of information will also cover hreaches by investment businesses of the regulations on capital adeq-uacy; competence and honesty.

The agreement is expected to be invoked several dozen times a year and to be used with increasing frequency as trading in equities, bonds and futures and options contracts becomes more global.

In recent years, the SEC has led the way in challenging traditional barriers to the policing of international financial fraud. In 1982, it signed a treaty with Switzerland which allows it to prise open and to freeze the bank accounts of suspect ed insider dealers. In July it signed a similar agreement with the Cay-

markets should be deprived of some

Continued on Page 20

Dollar recovery prompts UK to defend pound

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT, IN LONDON

THE BANK of England was forced to step in to defend the pound yesterday as a further recovery in the dollar's value put the British cur-rency under pressure and created concern in financial markets over he outlook for interest rates.

Sterling recovered its earlier losses after the Bank of England intervened in the currency markets when it began to slide both against the dollar and against continental slip back in New York trading. The Bank made no official comment, but foreign exchange dealers said that it had been openly selling D-Marks and dollars as the pound touched the day's lows yesterday af-

The intervention was interpreted as signalling that the UK Government considered that sterling's fall over the past few weeks had gone far enough, but that if possible it wanted to avoid a politically damagthe Conservative Party annual con-

ference early next month.

Mr Nigel Lawson, the Chancellor of the Exchequer, indicated his concern to get agreement on stabilising currency markets at the meeting of the Group of Five major industrial countries in Washington on Friday. He told a meeting of the National Economic Development Council: "I shall be going to Washington with

date the greatly improved pattern of exchange rates we have achieved and to build on and strengthen the which the Bank made no attempt to

How Allied Lyons

defence, Page 8

planned its

disguise, was strengthened by the general nervousness after the weekend meeting of European Community finance ministers and bank governors in Gleneagles, Scot-At that meeting, the central banks decided to defend the present

parities in the European Monetary System's exchange rate mechan Continued on Page 20

Money markets, Page 37

Paris delays decision on exchange controls

BY DAVID HOUSEGO IN PARIS

chosen in terms of political timing and the weekend meeting of the International Monetary Fund in of finance ministers in Washington Washington. But foreign exchange to decide what further measures to dealers linked it more directly to take. Mr Balladur said yesterday

eign exchange accounts abroad and steps in relaxing foreign exchange that French banks would be able to controls might be more limited than lend in francs to non-residents.

MR EDOUARD BALLADUR, the French Finance Minister, has put off the planned announcement to-morrow of a further relaxation of French foreign exchange controls.

The official reason given yesterday was that the date had been illephosen in terms of political timing.

The Government now intends to

man Islands, while an agreement in May between the US and Japan provided for a limited exchange of information on a case-by-case basis. However, the SEC also aroused strong opposition from the UK and other countries with a proposal that foreign investors using US financial markets should be deprived of some would soon be allowed to open for- they also implied that the next have so far been expected





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are close to accepting e new strategy for fighting unemployment which would concentrate on belong small businesses and foster more flexible working practices. This follows an informal meeting of Community Employment Ministers in Edinburgh, which ended yesterday.

The two British ministers.

Lord Young, British Secretary of State for Employment, who chaired the meeting as part Council of Ministers, said habelieved the meeting had "changed the dialogue in the EEC, as far as employment This tresidency."

"For years the Commission has served up the Council of Ministers are concerned This is sorted a diet of draft." is only a beginning but it could transform what the EEC does."

The ministers met to consider The ministers met to consider a document on employment growth drafted by the British, Italian and Irish employment ministers, of whom the latter two are from Socialist parties. The document sets out about 40 proposals for easing the constraints on people obtaining jobs.

"For years the Commission has served up the Council of Ministers with a diet of draft proposals on employment rights and protection which the council was always turning down," said Mr Clarke.

"Now they are going to have to start working on more proposals for aiding employment by easing constraints. We may ask tha Commission to draft new directives, but only if we need them."

need them."

There had been no dissent

The four main themes of the proposals are help for small businesses and self employment: encouraging more flexible working practices: bet-ter training: and greater assis-The new approach appeared to have the support of Mr

Tensions rise over Czech border incidents

TENSIONS have rise over bor- was said to be strolling along der incidents between Czecho- the border on German terrisiovakia and its two Western neighbours, despite a warm glow of East-West saisfaction over the just-ended Stockholm conference on disarmament and

conference on disarmament and security.

In talks at the United Nations with the Czechoslovak Foreign Minister, Mr Bohuslav Chnoupek, West Germany's Foreign Minister, Mr Hans Dietrich Genscher, today is to take up the fatal shooting last week of West German citizen by e West German citizen by Czechoslovak border guards. West Germany launched a strong protest with the Prague Government at the weekend over the shooting of a retired West German army officer, who

tory. Bavarian police said yesterday that two East Germans who fied across the Czechoslovak border to West Germany were fired on by border guards. The West Germans were investigating whether any shots had fallen on

The Austrian Foreign
Ministry charged on Monday
that Czechoslovak border guards
commanded their shepherd dog
to attack an Austrian who was
picking mushrooms and dragged
him across the border. He was
held for seven hours and released after signing a statement

Chemistry

THE REPORT Re
ployment in Euro
of Capital Forms
published by th
European Policy
the European C
reported in
Financial Times.

Ecevit acquitted of violating political ban

A TURKISH criminal court yesterday acquited former Premier Bulent Ecevit on charges of violating a law harring him from political activity, AP reports from Ankara.

In the second hearing of a trial that began in July, the prosecutor asked for Mr Ecevit's nasia may be no more common among the Dutch than in other prosecutor asked for Mr Ecevit's acquittal, saying support of

party does not constitute viola-tion of the political activity ban. The judge concurred and ruled for acquittal. The prosecutor had charged that Mr Ecevit participated in active politics when he et-tended and addressed a Conventended and addressed a Conven-tion of the Democratic Left Party on May 18. Tha party is headed by his wife.

Mr Ecevit and 100 other former politicians, cannot join lead or be affiliated with pol-

itical parties or run tive office until 1992. Soviet talks hope

The Western defence alliance has a major opportunity to "do business" with the Soviet Union under Mr Mikhail Gorbachev's leadership, Nato's Secretary Geoeral, Lord Carrington, said Geoeral, Lord Carrington, said yesterday. Reuter reports.
He told the annual assembly of the Atlantic Treaty Association that the Soviet Fadership was ready to think in radical terms in the field of arms control and disarmament and to push through necessary decisions.

Finns to borrow more Finland will borrow FM 14.7bn (£2.02bn), some 23 per cent more than in the current year, to balance its budget for 1987 which was sent to the Helsinki Parliament yesterday, Reuter reports.

The 23 per cent rise in borrowing follows an increase of only 11 per cent in 1986. Finns will pay e few per cent more for drinks, tobacco and fares. But tax scales will be revised downwards by 4 per cent. Taxes on property will be slightly eased to boost the private sector, Unemployment report

THE REPORT Reducing Unemployment in Europe; the Role
of Capital Formation has been
published by the Centre for
European Policy Studies as
CEPS Paper No 28 and not by
the European Commission, as
reported in vesterday's yesterday's

Euthanasia debate divides Dutch public at least 20 people are believed to die at their own request

A legislative bill that would permit mercy killing by doctors under strictly defined circumstances, the first of its kind in the world, was introduced 2½ years ago by the Democrats '66 party, and the ruling '66 party, and the ruling Christian Democrat - Liberal coalition has promised to recon-sider the highly emotional issue Dutch in favour of passive enthanasia Dutch totally opposed to active enthanasia Dutch totally opposed to passive enthanasia

again by next January.

Legally speaking, euthanasia remains a criminal offence punishable by imprisonment for up to 12 years or a heavy fine. In practice, however, it has occurred more and more frequently sine a 1973 Suprementally sine a 1973 Supremental sine and s frequently since e 1973 Supreme Court decision that justified mercy killing under certain conditions. A Friesland physiconditions. A Friesland physician was given only a token sentence after she granted her mother's plea to be released from unbearable pain by death.

Another Supreme Court decision in 1984 upheld the earlier ruling. Rising cancer rates, major medical advances that can prolong life and a greater willingness to discuss the subject have also increased the number of instances in which death is aided by a doctor.

Deaths from euthanasia have been estimated as high as 20,000 a year, or 1 in 15 of all mortalities, although no official signed a "living will," writtyn

EVERY day in The Netherlands treatment is halted or medicine at least 20 people are believed such as painkillers is given, her suicide after repeated reto die at their own request which hastens dying. "Active" quests from her and consultation with colleagues and was between 6,000 and 10,000 acquitted of any wrongdoing by and patients have voiced fears. the court.
The issue has already caused

industrialised eo untries—
although many think it is—
but they may be the first people to legalise it.

Popular support for mercy
Adding seems to be more wideserious dissent within the Government coalition. The Europe or the US although perChristian Democrats, an

PUBLIC OPINION POIL ON EUTHANASIA PUBLISHED IN JANUARY 1986 (Figures given in percentages)

Dutch in favour of active outh

haps on a par with Scandinavia. amalgamation of three Protes-A majority in parliament and tant and Roman Catholic three-quarters of the population favours enthanasia. Last year the grounds that it violantes a Government commission trecommended that the penal killing. The right-of-centre code should be changed to allow induced death in cases of killing as an exercise of individual freedom.

The Netberlands' highest induced death in cases of "hopeless" illness, but in July, the Netherlands' highest advisory body, the Council of State, issued an opinion that the time was not yet ripe for change

20,000 a year, or 1 in 15 of all physical deterioration had mortalities, although no official signed a "living will," writtyn figures are avaliable. Between 10,000 and 12,000 are believed for Voluntary Euthanasia, askto be cases of "passive" ing that her life be ended in euthanasia, where medical case of terminal sickness or

When the issue comes up

Laura Raun in Amsterdam reports on an ethical issue with political implications

again for parliamentary debate next year the most vexing ethical question will be when induced death will be allowed. This month the momentum that resumed with a District Court ruling in The Hagne which significantly broadened the scope for ending a life to include unbearable mental anguish as well as physical model death will be allowed. The Christian Democrats have bowed to public pressure and earlier this year the Cabinet drafted its own "test" Bill that would restrict the application of euthanasia more than the proposal drafted by Democrats '66.

Mr Ruud Lubbers, Christisti Democratic Prime Minister and a Roman Catholic has said he can go no further than his Cabinet's draft Bill requiring "concrete expectation of death." The Democrats '66 proposal would justify death in e "hopeless emergency situa-

that a cuthanasia law could be abused. The Roman Catholic bishops have branded the

enthanasia lobby as a "descent into barbarity" while the Netherlands patients organisa-tion has warned of a "fear psychosis" among nursing home residents.

But the Dutch Association for Voluntary Euthanasia and many in the medical profession say that legislation is needed urgently to clarify everyone's rights. Five court cases are pending against doctors accused of unlawfully taking a patient's life.

The 25,000-member Voluntary Euthanasia Association, founded in 1973, provides no "suicide cocktails" but puts patients in contact with doctors willing to help in death. More than 30 volunteers work in the "members aid service" which "members aid service" which offers information and advice on the medical, legal and ethical aspects of euthanasia to patients and doctors either directly or through associated physicians, lawyers and clergymen.

men.
Doctor Leo Fretz, Professor of Social Ethics and Political Philosophy at Delft Technical University and chairman of the Association said in an interview that he expected legal change. "But I don't exclude that more court induments



hope

.. : 1 1 ii

Mr Rund Lubbers

Doctor Fretz pointed out that the desire for wide public debate and individual freedom had had e high priority in the country since the time of Erasmus, the humanist

"We like to be sincere," he we have to be sincere," he said "We are an open people with intensive public debate on moral issues such as cruise missiles, nuclear energy, homosexuality and incest."

of Social Ethics and Political Philosophy at Delft Technical University and chairman of the Association said in an interview that he expected legal charge. "But I don't exclude that more court judgments would make a change in the law unnecessary and that punishment under medical disciplinary law would be reduced," he added.

One member of the Association, a man suffering from debilitating lung cancer which placed e burden on his family, had told them of his plan to die, which they had accepted. The family respected his desire to avoid a life of pain and degradation, his widow said. "It was better that way, a chance for us to say goodbye to him hefore it was all over." One member of the Associa-

Fears of Norway oil rig cuts

THE NORWEGIAN Ship-

shelf in the current season have

THE NORWEGIAN Shipowners' Association fears that
more than half of its members'
mobile oil rigs, and a third of
their offishore supply vessels
will be unemployed by the end
of this year.

Its latest quarterly report
notes that for e long time, the
offishore sector has provided a
"valuable supplement" to
traditional shipping activities.

The oil price collapse
has, however, "dramatically
changed" the situation, leading,
so far this year, to a 25 per
cent cut in oil company
exploration budgets.

"About half of the planned
new wells on the Norwegian

shelf in the current season
been postponed. Developm
in 1987 can lead to fu
cuta," it predicts.

The Association's quar
statistics show that on Ser
ber 1 their members owne
drilling, accommodation or
struction auxiliary rigs, 2
them Norwegian-registered
On that date, eight of
vegian-registered units. Of 190
vegian-registered supply
service vessels, 40 were laid
of 77 such vessels owne
Norwegian companies,
registered abroad, five statistics show that on September 1 their members owned 52 drilling, accommodation or construction auxiliary rigs, 26 of them Norwegian-registered.
On that date, eight of the Norwegian hag rigs were laid up, and 14 of the foreign-registered units. Of 190 Norwegian-registered supply and service vessels, 40 were laid up. Of 77 such vessels owned by Norwegian companies, but

been postponed. Developments gloomy picture offshore with the in 1987 can lead to further cuts," it predicts,

The Association's quarterly have risen.

The Association warns how ever, that tanker fleet capacity still exceeds total demand, and suggests there is a danger that the temporary improvement in the market may arrest the pro-cess of edjustment needed to

cess of edjustment needed to rid the world tanker fleet of its surplus tonnage."

The Norwegian-registered merchant fleet shrank by 53 units, totalling 4m dwt, during the first eight months of this year, to 614 units totalling 12.9m dwt.

Irish minister dismissed over 'conflicting interests'

BY OUR DUBLIN CORRESPONDENT

ret FitzGerald, has dismissed a jun-ior minister in his Cabinet following claims of a conflict of interest in

business dealings.
Mr Eddie Collins, a Fine Gael De-Mr Eddie Collins, a Fine Gael Deputy and Minister with responsibility for energy, said yesterday that Dr FitzGereld had sought his resignary between Dr FitzGereld and his nation but he had refused to agree junior energy minister, after which to this because he felt there were no the Irish Prime Minister assured grounds for his standing down. Dr parliament that Mr Collins had FitzGerald then dismissed him. The controversy surfaced earlier

THE IRISH Prime Minister Dr Gar- this year when Mr Collins' family company encountered financial dif-ficulties. Guidelines for Irish ministers preclude day-to-day involve-ment in business interests, but

severed all direct connections with

11 2::: 1

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Vienna talks given fresh hope by Stockholm accord

BY PATRICK BLUM IN VIENNA PRELIMINARY WORK on the

third follow-up Conference on Security and Co-operation in Europe (CSCE) started in Vienna yesterday with fresh hope following the agreement in Stockholm on Monday.

Opening the 35-nation meeting, Mr Peter Jankowitsch, Austria's Foreign Minister, said the Vienna conference could start a "new era of detente" but warned there were still too many violations of the Helsinki

Final Act signed in 1975.

The Final Act launched the Hel-sinki process which aimed to reduce tensions, promote disarmament and increase confidence be-tween East and West through closer links, economic co-operation and the promotion of human rights.

Mr Jankowitsch said it was necessary to make a realistic assessment and the right diagnosis about the state of East-West relations with e full and frank review of progress under the Helsinki agree-

*Again and again we have to reg-ister grave violations of the Helsinki Final Act. Again and again the overall positive trend is interrupted by serious setbacks. This discrepan-cy between words and deeds damages the credibility of the CSCE process and represents the biggest barrier for its future development.

he said The Stockholm agreement will help to improve the climate of relations between East and West but in spite of this success the ability of nations to reach consensus had seriously declined in recent years and there were still dangers of "sterili-ty" and "confrontation".

The meeting will last a maximum of two weeks during which it will establish e timetable and an agenda for the full conference starting on

Western delegates hope the conference will spend more time, possi-bly until Christmas to review prog-ress since Helsinki than the three weeks spent at Stockholm. Western nations will also be pressing the conference to focus more on hu rights and human contacts as key elements in developing confidence. "A balance has to be found be-

public sector em-ployees want an agreement which brings them in line with tween human rights principles and military aspects of security. The non-military aspects of security are as important as the military ones. Respect for human rights increases security," said on Western diplomat.

Chrysler to step up its exports to Europe

CHRYSLER, the US car producer,

smise

inte:

Renter reports.

Mr Robert Lutz, Chrysler's executive vice president for international. truck and component operations, said yesterday that the number three US car maker believed its minivans, sporty Daytona cars, new Dodge Shadow compacts or the new Chrysler LeBaron coupe - which goes on sale in the US next year were potential candidates for ex-

port to Europe.
"We're initially not talking about tens of thousands, certainly not about hundreds of thousands," Mr

But Chrysler'e position as the low-cost US producer, coupled with a weak dollar, could permit the company to emulate Japanese car makers in increasing its presence in the European market, he said. "I think we can go after the mainstream of the European market, not just the exotic niches.

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Chrysler divested its European plans to re-enter the European market on a larger scale by stepping up exports of US-built cars and trucks,

Renter reports.

CHIVISLER, the US car producer, operations several years ago when it was facing bankruptcy. Earlier this year the company sold off its 15 per cent stake in Psugeot, the French car group, which it received earlier in exchange for its European operations.

Meanwhile, Chrysler has half completed its programme to reduce costs by \$2,500 per car to achieve manufacturing cost parity with Japanese competitors, Mr Harold Sper-lich, Chrysler Motors president

Mr Sperlich said \$500 of the cost disadvantage identified two years ago represented fixed costs such as manpower and overhead while \$2,000 represented variable costs in such areas as manufacturing effi-ciencies, costs of components and currency fluctuations.

"I would hope we could begin in calendar 1987 with serious ship-ments of cars."

Although volum 10,000 e year for the first two years, Mr Lutz predicted that within a few years Chrysler would export more cars from the US to Europe than any other American manufacturer. On the domestic front Mr Lutz said the company's goal for the 1987 model year is to take no less than 15 per cent of the US truck market. That would be up from this years share of around 11.5 per cent.

Chrysler's new mid-size pickup truck, the Dakota, along with other new vehicles, will help contribute to the hoped-for increase in market share.

Sweden set for public sector strike

By Sara Webb in Stockholm THE SWEDISH public sector unions have threetened to come ent en strike next Tuesday fol-lowing the breakdown in wage negotiations last Friday. The unions, who represent about 1.3m civil servants and

local government workers, have enneunced that members in key administrative positions will be called out from noon next Tuesday to cause the maximum harm for the Government without "hurting ordin-

ary people."

The plan is to call off train ticket collectors and sellers (which would allow people to workers, and customs efficials

a move which the unions calculate could cost the government SKr 1bn (£97.6m) a week. The union for municipality and county council workers has said its 600,000 members will operate a work-to-rule, while dock and traffic workers will come out en strike.

private sector workers, who reached an agreement in the spring whereby wages would rise by 9.5 per cent in 1986-87.

Rise predicted in W German bankruptcies By Peter Bruce in Bonn

WEST GERMAN business bankruptcles are expected to rise 4.5 per cent to a record 17,000 this year despite claims by the Government that the domestic ecoo-omy is undergoing a substantial

The Bürgel economic services The Birgel economic services group said however that 75 per cent of the companies likely to collapse this year would be less than eight years old and 35 per cent less than three years eld.
Businesses in the service sector had been worst hit, the group said in a report, and nearly 2,000 service eperations had become insolvent in the first half of the

year. Industrial bankruptcies had fallen just over 6 per cent, Bürgel added. A credit reform associetien reported, meanwhile, that between January and the end of August, total insolven-cies rose 3.1 per cent to 10,620.

Government in Norway 'loses' popularity

SIXTY per cent of Norwegian voters are dissatisfied with the performance of Prime Minister Gro Harlem Brundtland's Labour Gevernment, an opinion poll published yesterday said, AP reports.

According to a survey conducted by the Gallup/NOI

ducted by the Gallup/NOI Institute and published in the independent, conservative lear-ing Osle daily Aftenposten, only 32 per cent of the more than 1,000 people interviewed were satisfied with the Government's

"Last March, a majerity of 53 per cent were satisfied with the government of coalition leader Kaare Willoch and only 39 per cent were discontent.

Chernobyl close to worst possible

Britain in bid to break air fare deadlock

cheaper fares.

The whele informal council

International Atomic Energy
Agency in Vienna today for
formal acceptance by the
governing body of the UN
agency.

TRANSPORT Ministers of the significant progress in liberalisters of the significant progress in liberalisters of the special meeting next week in a hid by the British government to break their long-standing to the transport committee of deadlock over liberalising air routes and clearing the way for cheaper fares.

Mr Moore set out four steps cheaper fares.

Mr Moore set out four steps competing

Mr Moore set out four steps as the core of a package which should provide "the first step towards eviation liberalisation"

for newcomers or competing

airlines;

The Weile informal council should provide "the first step devoted te air transport, Mr Jehn Moore, British Transport Minister and current chairman, said yesterday.

He spelt out his aim to make should provide "the first step towards eviation liberalisation" rules in air transport. "The consumers of Europe have suffered too long from own feres, vary their prices, and get them approved without arrangements," Mr Moore said.

Enforce EEC competition rules in air transport. "The Commission has agreed en a two-menth extension for several of the airlines to reply to its charges of price-fixing and eperating cartels on major EEC routes.

THE SOVIET nuclear explosion have cross-examined a Soviet at Chernobyl in April came close to being the worst kind of masterminding the post-accident imaginable te annelear recovery operation.

Its report is being submitted the Soviet eccident report hava concluded.

According to the cross-examined a Soviet been reported before, but only violations of operating rules in small experimental reactors, actor features which compounded and amplified the prompt critical excursion."

At Chernobyl, a "superpounded and amplified the effects of the errors and led to the reactivity excursion."

Two vital conclusions drawn according to the reactivity excursion."

Two vital conclusions drawn according to the reactivity excursion.

That victims were 300 nuclear employees and firemen, of whom 31 have died so far. But ne member of the public has been put in hospital by Chernobyl's radiation.

These are among the conclusions of the International Nuclear Safety Advisory Group (INSAG), a standing committee of nuclear safety experts.

This committee has studied the lengthy Soviet accident report delivered to a post-mortem on Chernobyl last mooth, and international Atomic Emergy producing reactor, the experts conclude.

International Atomic Emergy for conclude.

International Atomic Emergy producing reactor, the experts conclude.

It is expected to be published later this week.

The INSAG committee, under the chairmanship of Dr A. P. Vuorinen, chief nuclear inspector for experiments before being staff. At Chernobyl, the reactor tonne reactor roof and ruptured all cooling water commettiens.

A second explosion is still net fully explained.

The experts find "potential acceptance of placing candescent particles as fine as face powder, causing a violent steam explosion in the cooling water commettens.

A second explosion is still net fully explained.

The experts find "potential acceptance of cultivations of nuclear power of international Atomic Emergy formal acceptance by the Its fuel disintegrated into incandescent particles as fine as face powder, causing a violent steam explosion in the cooling water commettens.

A second explosion is still net fully explained.

The experts find "potential of introducing reactor, the experts into incandescent particles as fine as face powder, causing a violent steam explosion in the cooling water, which lifted the 1,000-tonne reactor roof and ruptured to the chairmanship of Dr A. P. The importance of the eperation of explosion is still net fully explained.

The experts find "potential of introducing reactor, the experts into incandescent particles as fine as face powder, causing a violent steam explosion is still net fully explained.

The experts find "potential for importance of cultivations of the cooling wat

The British effert te press the liberalisation package through the council will pro-ceed in parallel with the European Commission's action to start the process of competi-tion proceedings against the major European airlines.

The Commission has agreed

plant's future.
Dr Norbert Steger, the
Vice-Chancellor and minister
responsible for energy, has
asked the state electricity
company "immediately te
begin wit hihe liquidation of
the assets (cf the plant) in
a business-like and economic
way."

way."

The plant which has cost over Sch 11bn (£520m) was completed in 1978 but never used because a referendum in the same year came ent against commissioning it. Several subsequent attempts

Austria

N-plant

dismantled

By Patrick Blum in Vienn

THE AUSTRIAN Govern

ment has ordered the dis-mantling of the Zwentenderf

nuclear power plant, the country's only nuclear power utility, thereby ending years of speculation about the plant's future.

orders

to overcome constitutional ebstacles te putting the plant into operation failed and the recent accident at Chernehyl sealed its fate.

Bechtel International of the US has made a study en various ways of liquidating the plant, including selling it off in parts, but none of the options are expected to reconp the plant'e cost until

A complete demolition would take about seven years and cost \$105m (£70.9m),

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Type of business			50

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Sprinkel predicts stronger growth in US economy

He indicated

outlook for a cut in Fed-admini-

stered interest rates was not

The White House has consistently sought to put the economic outlook in the best possible light because of the importance

of the economy's performance to President Ronald Reagan's

political prestige. The forth-coming mid-term elections pro-

shared among private acond

gish real annual rate of 0.6 per cent recorded in the second

BY STEWART FLEMING, US EDITOR IN WASHINGTON

THE US is set for a "gathering consumption and manufactur-of strength in economic ing output.

Activity " in the coming months, or Beryl Sprinkel, chairman of the trade deficit, which has the White House council of been a major drag on the economic advisers, said yester-day. economy, was not showing the improvement the administration

His comments followed the release of disappointing figures on the outlook for US manu-facturing industry but He indicated too that stronger growth would tend to keep interest rates at tha slightly higher levels than they have reached recently, and agreed with the views of some Federal Reserve Board officials last week that the immediate about news

The Commerce Department reported that durable goods orders in August fell 2.6 per cent, largely because of a sharp decline in defence orders. Non-defence orders also declined moderately, by 0.3 per cent. It also revised downwards the July orders data to show a rise of 3.4 per cent instead of 4.1 per cent.

The department said consumer prices rose by only 0.2 per cent last month, a smaller increase than many economists

Dr Sprinkel conceded that the best news on inflation may be over. He said he expected inflation to "ooze np" slightly next year perhaps to the 3-31

quarter, the improvement will not be dramatic and that at best the second half of the year However, he said he was opti-mistic about the outlook for economic growth because of will see an annual rate of expansion of around 2 per cent. recent trends in employment, inflation, personal income and

UN stops repatriation of Chilean refugees

THE UN High Commission for refugees has stopped helping Chileans return home from abroad because of a security clampdown there, Reuter reports from Geneva.

The Santiage Government imposed a state of siege and arrested -political opponents following an assassination attempt on President Auguste Pinochet earlier this month. Pinochet earlier this month.

The UN commission has helped several hundred Chilean refugees to return home in the past two years, but there was now a danger of arrivals being turned back at the frentier. No more refugees will be helped to return until the situation eases. He said there were still He said there were still "tens of thousands" of Chil-ean refugees throughout the world. Most fied after a mili-tary coup in 1973 that over-threw a leftist government headed by Salvador Allende.

Alfonsin faces union protest

vide another reason for White House optimism. Arkentina's General Confederation of Labour (CGT) is to hold an 11-hour general strike on October 9 in pro-The optimism is not widely mists, however, many of whom suspect that aven if growth does accelerate from the slugtest at government economic policies that "favour foreign usury over the people's

It will be the labour um-brella group's seventh general strike during President Raul Alfonsin's 34-month eld gov-

The CGT wants a moratorium on payments of Argentina's \$50hn (£34hn) foreign debts and says Alfon-sin's economic policies have led to lower wages and higher unemployment.

Dominicans act on corruption

Blanco, accused of corruption in the press, from leaving the country, but the ban was later lifted, Renter reports from Santo Domingo.

An exit ban on Jorge Blanco's former defence minister General Manuel Cuervo Gomex remained in

Georgetown University is to sell its \$28.6m holdings in companies doing business with South Africa, Reuter reports from Washington. Mr Georga Houston, vice-

wings of a Boeing 727 com-mercial jet. It weighs 1,858 lbs and will carry close to 9,000 lbs of fuel, or 1,489 gallons. It has two engines at the back

and front and after take-off the and front and after take-off the rear engine will provide the power. To save weight, the equipment in the 7.5 ft by 1.8 ft cabin has been kept to a bare minimum and the crew is limited to 22 lbs of food and 80 lbs of water.

The US media has made much of the fact that the Voyager will fly round the world on "one tank of gas," but fuel is actually split up among 17 separate fuel tanks. Tha two pilots will spend much of their time juggling tha fuel between tanks to keep the aircraft perfectly balanced. It will cruise at 15,000 ft to avoid turbulence, which on earlier test flights has which on earlier test flights has caused violent airsickness, and will fly most of the way on

William Hall in on an intrepid plan the globe

very much on avoiding rough weather, while taking advan-tage of the prevailing easterly tail winds in the southern hemi-

flight would not have been possible without recent technological breakthroughs. The Voyager is mada of a composite graphite called magnamite. Carbon fibres are impregnated with apoxy resin and made into magnamite sheets. A honey-comb paper core is sandwiched between the magnamite sheets and bonded under heat. This produces a meterial seven times stronger than aluminium—the normal material for aircraft—

and much lighter. The only metal on Voyager is the nuts and bolts and the engines, which are made by Teledyne Continental Motors in Mobile, Alabama. The rear engina is an experimental four cylinder version of an engine being designed for a secret military project to produce a long endurance drone for military reconnaissance.

The engine, known as the 10L-200, is designed to establish an all-time low fuel consumption and at the same time accomplish an unprecedented reliability standard, says its manufacturer.

manufacturer.

The Voyager is also testing a new type of synthetic oil produced by Mobil. The oil is important since most aircraft need oil changes after every 25 to 50 hours of flying time. The Voyager plans to be in the air for more than 300 hours.

Mobil says its oil is far more pure than normal engine oils and does not contain the compounds which cause engine sludge and produce wear and tear on the moving parts. It will low as -60F and will allow the Voyager's standby engine to be restarted during flight.

While the sponsors were slow to appreciate the scale of the Voyager's mission they have been making up for lost time as the round the world flight

its new oil continues a tradition of participating in aviation firsts. The Wright Brothers used Mobil oil in their 1903 Kitty Hawk flight as did Charles Lindberg in the 1927 flight of the Spirit of St Louis.

Lawson snub angers Commonwealth finance ministers BY OUR FOREIGN STAFF

MANY DELEGATES to a twoin Castries, St Lucia, yesterday expressed concern and irrita-tion at the failure of Mr Nigel Lawson, the British Chancellor to attend the meeting.

The conference is taking place as a run-up to next week's annual meeting of the World Bank and International Mone-tary Fund in Washington.

This is the second consecutive year Mr Lawson has not attended the meeting of his Commonwealth colleagues, re-presenting 49 countries, most of them developing nations.

Delegates were only partly assuaged by the appearance of his stand-in, Mr Iain Stewart, the Treasury Econimic Secretary, and Dr Geoffrey Littler. second permanent secretary of the Treasury. Mr Lawson is to meet the Group of Five indus-trial nations in Washington later this week and will address the IMF-World Bank meeting on September 30.

This diplomatic faux pas has only added to the mood of pessimism troubling many of the ministers.

Some representatives cited day meeting of Commonwealth concern about the need to spur finance ministers which began world economic growth, tha in Castries, St Lucia, yesterday problems of indebted developing countries and uncertainty about the short-term trend in the dollar. The meeting is in tended to establish a Common wealth stance over monetary affairs.

Items being discussed during the talks include a need for more co-ordination of economic policies among major industrial nations, problems of indebted oil-producing countries caused by a drop in oil prices, and the threat of trade protectionism.

The talks are taking place against the backdrop of con-tinued dissatisfaction among many Commonwealth countries over what they consider in-sufficient economic massures against South Africa.

Commonwealth minister are also determined to support actively a plan for greater sur-veillance by the IMF of the economies of major industrial countries, given the slowdown in the US economy and the im-plications of this for the developed and developing

Committee approves bill on home loans safeguards

THE HOUSE of Representatives tion which would have to in-Banking Committee yesterday vest in FSLIC. passed an all-embracing banking Sponsors of the bill hope it bill to refinance the Federal Savings and Loan Insurance Corporation and give federal regulators more power to take over failing financial institutions, Reuter reports from Washington.

The bill, adopted 47-1, now more to the full House Symptoms.

goes to the full House. Sup-porters hope it can get final Congressional approval before adjournment, expected at the

Sponsors of the bill hope it can raise \$15bn to \$30bn for FSLIC over the next five years to help protect depositors in failed savings and loan associa-

The bill also gives federal agencies more power to arrange out-of-state takeovers for failing financial institutions.

Before passing the bill, the

end of next week. The bill would require the sidiaries and affiliates of a bank Federal Homa Loan Banks to holding company from conductestablish a financing corporating insurance activities. WILL THERE STILL BE A MARKET FOR SHOES IN THE PHILIPPINES.

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Paraguay to introduce floating exchange rate

PARAGUAY has announced a was 160 to the dollar, Paraguay major overhaul of its exchange rate policy, putting many exports and nearly all imports under a floating rate and bringing the country's fixed rates more in line with the currency's real worth, AP-DJ reports from

The sweeping reform aims to boost flagging foreign trade, stem a flourishing black market and free World Bank credits frozen in an exchange rata

The reforms were announced by Mr Delfin Ugarte, the Industry and Commerce Mini-ster after a meeting of Presi-dent Gen Alfredo Stroessuer's top economic officials.

top economic officials.

The exchange rate for foreign credits was fixed at 320 guarants to the dollar, representing a 25 per cent devaluation from tha old rate of 240 to the dollar, Mr Ugarte said.

In the first half of 1986, exports totalled \$101.3m, down 44 per cent from the same period last year, while imports rose 30.8 per cent to \$289.4m, creating a six-month trade deficit of \$188.1m.

The rate used to apply to all public sector imports and many private sector imports, such as band, which accord farm fachinery, but Mr Ugarte Bank studies is equal to a said almost all imports from ceeds officially renow on would be transacted at ports and exports. the floating rata of exchange, which on Monday stood at 625 guaranis to the dollar.

imports all of its oil.

A new exchange rate also was set for exports of soyabeans and cotton, at any average 400 to the dollar. It previously was set at an average \$20 to the dollar.

All other exports would be traded at the free rate of exchange. Mr Ugarte said the cost of public goods and services, including electricity, telephones, water and transportation, would probably rise.

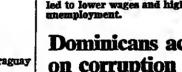
Soyabeans and cotton represoyateans and cotton represent 80 per cent of the country's registered export earnings, which totalled \$312m.last year, according to the Government.

The figures do not include a rapidly growing trade in contraband, which according to World Bank studies is equal to or exceeds officially registered imports and erroris.

which on Monday stood at 625 guaranis to the dollar.

An exception to the free import rate was petroleum products which would be imported at a rate of 400 to the dollar. Under the old policy, tha rate

The World Bank in mid-1965 began freezing credits of \$230m for nine development projects, saying the money would be made available only if exchange rates were brought more into line with the guarani's real worth. The World Bank in mid-1985

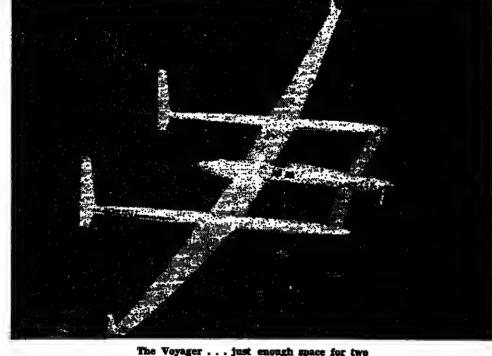


The Dominican Republic yesterday barred former president Salvador Jorge Blanco, accused of corruption

force.
Supporters of Mr Jorge Blanco, replaced in May elections this year by Mr Joaquin Balaguer of the Social Christian Reformist Party, say Mr Balaguer's party is ebhind the allegations.

University sells S Africa stocks

Mr Georga Houston, vice-president for financial affairs, said the Jesuit university would sell holdings in 45 corporations including IBM, Mobil and General Motors unless they pulled out of South Africa.



Hand-built aircraft tackles last great aviation first

OVER the next few weeks, perhaps as early as this weekend, a rather bizarre looking handbuilt aircraft will struggle into the sky from Edwards Air Force hase in California's Mojave decort. It will slewic girdle for desert. It will slowly circle for up to half an hour so as to get up height to clear the mountains and then head out over the

Pacific at 80 miles per hour. If all goes well, the aircraft known as the Voyager, should return in lessthan a fortnight after a non-stop flight around the world without refuelling, having broken the 12,532 mila record held for tha last 24 years by a Giant B-52 bomber.

The challenge has been tagged the last great "first" in aviation history and the US press is likening the \$2m Voyager to Charles Lindbergh's. Spirit of St Louis, the first to fly across the Atlantic.

fly across the Atlantic.

The Smithsonian museum in Washington has already reserved a place for the Voyager, and Dick Rutan, a former Victnam fighter ace and chief pilot, is east in the mould of one of Tom Wolfe's hero's in his book.

"The Right Stuff," on test

When asked why he is risking his life and that of his
co-pilot Ms Jeana Yeager—no
relation to Chuck Yeager, the
model for the Wolfe book—
If radian says the trip is the
fultimate goal, the last hig
plum to be picked." The two will spend their time

squeezed together in a space not much larger than a refrige-rator and doctors have said the ear-splitting engine noise could ing. They have abandoned insulation to save weight.

insulation to save weight.

In true story book fashion, the first designs for the Voyager were sketched out five years ago on the back of a napkin in a local inn by Mr Rutan's brother Burt, who is as crazy ahout designing aircraft as his brother is about flying them. Some 22,000 man-hours later they have produced what has been nicknamed a "flying gas tank."

The Voyager's fuselage is

The Voyager's fuselage is 25 ft long and its wingspan of 110.8 ft is longer than the

New York reports to circumnavigate

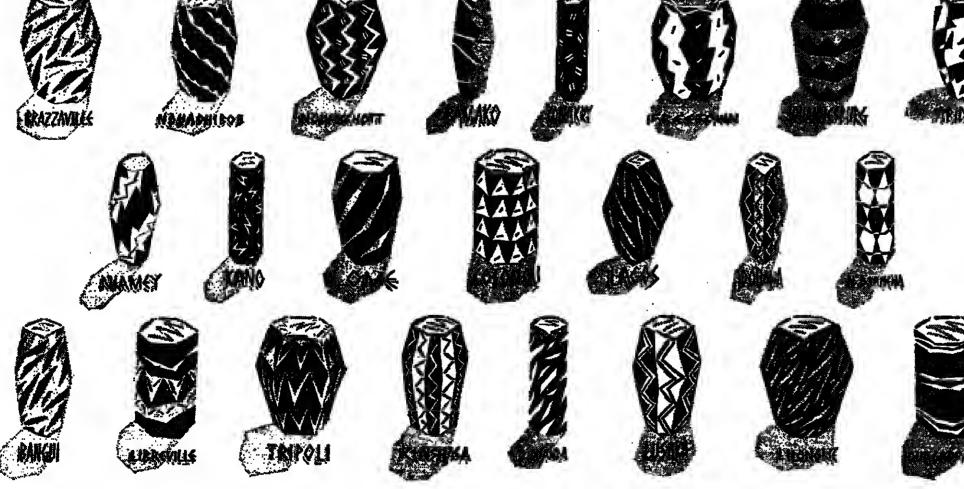
The Voyager has already flown 11,600 miles in 1111 hours, non-stop up and down the Californian coast, and the pilots are now in their final stages of preparation for their odyssey, almost all of which will be exert ost all of which will be spent

The exact timing will depend

sphere.

A successful round the world flight by the Voyager would help boost America's need for fresh heroes after last year's space shuttle trauma. And although the commercial application of an aircraft like tha Voyager is limited, it is proving to be a surprisingly useful test bed for new materials and equipment.

approaches.
Mobil, for instance, notes that



Haven't you heard? We fly to more places in Africa than any other airline.

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ANDREW WHITLEY REPORTS ON THE TROOP BUILD-UP ON THE LEBANON BORDER

Israelis react to fear of Hizbollah attacks

ISRAEL'S BUSH to shore up its northern defences on both sides of the Lebanese border is motivated primarily by the fear that if it does not act fast, its ally, the South Lebanon Army, will

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ON.

Lest week, the radical Shi'ite Hizbollah movement successfully overran four SLA' positions in the central sector of the Israeli-declared security zone, capturing prisoners and heavy waapons. The blow to the 1,500-strong mainly Christian militia'e morale was crushing.

the 1,500-strong mainly Christian militia'e morale was crushing.

Working with Hizbollah, which wants both to expel Israel from Lebanon and to force the withdrawal of Unifil. About 2,500 of whom are concerned in the Bekra Valley of eastern Lebanon, while about 500 are thought to be operating in the south.

Mr Akef Haidar, Amal's vice president, said in an interview with the Lebanese magazine Monday Morning this week, that Amal remains in favour of Unifil's continued presence, conditional on the fulfilment of the 1978 UN resolution calling for Israel's complete withdrawal from Lebanon.

Israeli officials hava interpreted this as meaning that Amal's role over the past year in helping block attacks on Israel and the security zone may be coming to an end.

The growth of the Hizbollah movement has been aided by Iranian finance, military train-

movement has been aided by franian finance, military training, and a few franian Revotops ing, and a few franian Revotops to the border and reinforcing lutionary Guard volunteers to provide battle experience, the inside the security zone, Israel

laraeli warplanes attacked suspected Palestinian guerrilla bases in hills east of Beirut yesterday, setting their targets ablaze, police told AP in the Lebanese capital. They said eight jet aircraft staged four bombing runs in the hills of Bayssour, Keyfoun and Eitat, about 12 miles east of Beirut. There were no immediate reports of casualties. Meanwhile, duty officers of the UN peace-keeping force in south

made no move across the berder yesterday. Their tanks still are at the border tanks still are at the border and their artillery remained silent," one duty officer at the Irish UN contingent said. Israeli leaders have said reinforcements were ready to move in to help the Israelialited South Lebanon Army militia against an upsurge of guerrilla attacks by Iranian-backed Shi'ite Meslem extremists.

has signalled its determination to maintain the status quo. Politicians and senior officers were saying yesterday there is no intention to reoccupy a presence would simply hinder said the overnight rocketing of wider area of southern Israel's military freedom of hills in a nearby village from the border strip had alarmed them.

of force.

Deep divisions remain over the value of Unifit at the top of the Israeli leadership. But the prevailing view is that the uncertain loyalists and alleged inefficiency of the United Nations soldiers in preventing terrorist attacks is better than handing the region over to Hizbollah.

At the same time Israel according

TYRE

In addition, the danger of direct clashes between tha Israeli Defence Forces and United Nations soldiers — with all the grave political implications involved — would be far greater than at present.

Ners Boustany in Beirut adds:
A reappraisal of the mission of
the United Nations Interim
Force in Lebanon (Unitil),
dispatched to Lebanon in 1978to oversee an Israell withdrawal
and to help restore state authority, is now under way.

"Only three rockets fell but we couldn't aleep all night," said Hussein Hassan Haldar, who runs the south co-operative grocery in Quasqaiyet al Jisr. "If the Israells come, we don't know where to go with our women and children."

He added that the Amal move-ment was on alert and guarding the village 24 bours a day to prevent guerrilla infiltration and At the same time, Israel continues to resist Unifil's demands that it be permitted to deploy all the way down to the international frontier, thus fulfilling its original mandate.

The reason behind this is that the narrow belt of land running force said at Bourj Qalawaith, along the northern side of the frontier line has become a "frea free" zone for the SLA and the Israelis, in which to trap any hostile intruder. Unifil's Quantity of the same time, Israelis in the house of the Lebanon in 1978. The permitted to deploy and to belp restore state authority, is now under way.

An officer of the Finmish that alion of the nine-nation that narrow belt of land running force said at Bourj Qalawaith, and was doing its own work to serva Unifil. The officer said the overnight shelling was not unusual but noted, "every second I am worried, we are doing our work and it is not good to have casualties."

Copyright boost for US chip industry

By Louise Kahoe in San Francisco

THE US semiconductor industry THE US semiconductor industry has won a significant victory in its effort to protect its chip designs of the Pan American jumbo at from alleged Japanese copyright infringement with a federal judge's railing that the "microcode" program in microprocessors is covered by US conveight law.

ONLY DAYS after the hijacking so far, although the police have registered a case for attempted murder against the unidentified gunmen.

The incident follows the September 5 hijacking of the Pan American Boeing 747 at American Boeing 747 at Namerican Boeing 747 at September 5 hijacking of the Pan American Boeing 747 at Marchine was on a flight. gram in microprocessors is covered by US copyright law.

The landmark ruling on Monday followed a copyright infringement suit filed 18 months ago by Intel Corporation, a Silicon Valley chip maker, against NEC Corporation of Japan

Intel has said NFC copied critical elements of the microcode that controls Intel's 8086 microprocessor – the chip used in IBM and similar personal computers - for use in its competing V20 and V30 microprocessors. Intel is seeking unspecified damages and an injunction to prevent NEC from selling the V20 and V30 chips in the US.

NEC denies the charges and says it independently created its own microcode that emulates the functions of Intel'e chips. The court has yet to rule on whether NEC has infringed intel's

copyright. A final ruling may be several months away. Intel said it had already achieved its primary goal in filing this suit with the extension of copyright protection to cover migrocodes.

Gunmen penetrate to main runway at Islamabad

BY MOHAMMED AFTAB IN ISLAMABAD

The guard was watching the outer edge of the airport runway in the early hours of Monday when he was injured by firing from automatic weapons, eirport security officials said.

The incident took place shortly before a Saudi Arabian Airlines aircraft was to land. This was to be followed by a British Airways flight from Lon-

The four unidentified gunmen entered the perimeter of the air-port fence. When they were spotted by the guard, he chal-lenged them, and made the gun-

enged them, and made the gun-men withdraw.

However, the gunmen hid themselves in bushes instead of leaving the airport area. When they were warned that the guard would open fire, the gunmen shot first, injuring the security

gunmen.

The incident follows the September 5 hijacking of the Pan American Boeing 747 at Karachi, which was on a flight from Bombay to New York, vis Frankfurt and London. Four Arable speaking hijackers commandeered the Jumbo with nearly 400 persons and crew on board.

The ordeal of the passengers ended after 16 bours whan the hijackers began indiscriminata firing and tossed handgrenades among the passengers, killing 21 and injuring more than 100.

In splte of Intensive interroin spite of intensive interrogation, police have been unabla to establish the identity of four bijackers who were arrested and a fifth man who was later arrested et Islamabad for allegedly helping the hijackers. Each one of them was carrying four passports — all forged.

The Saudi Arabian Airlines ticket office at Karachi was attacked by unknown persons The shooting attracted the attention of other airport security officials who rushed to the spot. The gunmen escaped and no-one has been arrested set attacked by unknown persons the security officials who rushed to the spot. The gunmen escaped and no details were made public.

Mexican Minister in Tokyo debt talks

MR GUSTAVO PETRICIOLI, involving an oil pipeline and an expansion of capacity at the expansion of capac

The six-day visit by Mr Petricioli, who will also call on Mr Yasuhiro Nakasone, the Prime Minister, is described as unofficial. But its timing coincides with talks in New York on Mexican borrowings, ahead of the joint World Bank-International Monetary Fund meeting which is scheduled to begin next Tuesday.

The Jepanese decision to commit the efunds over two years follows a equest hy Mr Jesus Silva Herzoq, Mr Petricioli's predecessor, during a Tokyo visit in April.

The Nakasone Government is anxious to smooth the path for the heightened role it is set to assume et the World Bank, including increases in development assistance et official ievel.

Japanese commercial banks, lead to the follows a equest hy Mr Jesus Silva Herzoq, Mr Petricioli's predecessor, during a Tokyo visit in April.

The Jepanese decision to commit the efunds over two years follows a equest hy Mr Jesus Silva Herzoq, Mr Petricioli's anxious to smooth the path for the leightened role it is set to assume et the World Bank, including increases in development assistance et official ievel.

The Export-Import Bank of Japan, the country's trade imancing agency, is expected teday to provide the most substantial result so far of Mr Petricioli's ing from private sector creditor institutions in the developed

led by Bank of Tokyo have meanwhile been seeking clarity from the Mexican side on its request for \$6bn in new lend-

Stay, which ends tomorrow.

Eximbank officials said formal approval would be given for \$1hn (£686m) in loans for three plate a wholesale rescheduling for the plate a wholesale rescheduling of the plate a wholesale rescheduling to the plate a wholesale reschedu large-scal eindustrial projects in Mexico.

Primarily, these cover the so-called Pacific petroleum project,

New York.

Alleged Nakasone remark adds to ethnic controversy BY GORDON CRAMB

NATIONAL INSULTS have been a source of some discomfort this month to Mr Yasuhiro Nakasone, the Japanese Prime Minister. But within hours of his return from e South Korean trip, having repaired bridges damaged by his now sacked Education Minister, he may himself have blown potholes in relations with at least three countries.

The eccuracy of the newspaper accounts could not he confirmed yesterday, the autumn equinor public holiday, although the Prime Minister's office suggested that he had been mistrapreted. Mr Nakasone's alleged observation would obviously not have been for external consumption but it is nonetheless curious, not least for its timing.

countries.

Black and Latin American

in Japan. The comment apparently came during a study meeting at a rank-and-file gathering of his Liberal Democratic Party at Kannami, west of Tokyo, on Monday.

In Japan. Although other items, including attending the Asian Games, were on Mr Nakasone's Seoul agenda, President Chun made clear that Mr Fujio had offended Korean national pride,

Black and Latin American ethnic minorities in the US are responsible for a low level of knowledge among the American people as a whole, according to remarks attributed yesterday to Mr Nakasone.

At least two Japanese language newspapers reported him as saying: "Since there are hlack people, Puerto Ricans and Mexicans in the US (its level of knowledge) on average is far lower" than the high level in Japan. The comment

Iraq claims to have beaten back new Iranian attack

BY OUR MIDDLE EAST STAFF

AN IRAQI war communique ing ruins."

Observers speculated that the iran forces had stayted to build up pressure on the front to mark the sixth anniversary of mounted yet another testing the Gulf conflict and possibly probe against the Iraqi de-the start of a major ground fences.

offansive.

A military spokesman in
Baghdad said that two Iranian
infantry and marine attacks in
infantry and marine attacks in

Baghdad said that two Iranian infantry and marine attacks in the marsh lands around the Majnoun oil fields had been heaten off by "merciless fire" on the night of September 21-22.

The Iraqi comments indicated that there had heen fire on the southern sector north-west of Basrah facing tha road from Baghdad. There was no commant from Tehran on whatever operation was underway.

The Iraqi communique said that the Iranians had made a second "desperate attempt" against the same positions in the oil-yieb area but that their boats and their occupants had been turned into "smouldar-

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All letters and cards up to 20 gms to the Republic of Ireland will be charged at 18p postage from October 20th.

Renault calls for tougher curbs on US loan Japanese cars

BY PAUL BETTS AND JOHN GRIFFITHS IN PARIS

owned car group, called yester-day for firmer action to restrict Japanese car imports in Europe. It also confirmed that it had been approached by Nissan over possible use by the Japanese car maker of idle production capacity at American Motors (AMC) Brampton plant in

Ontario, Canada.
But Mr Jose Dedeurwaerder,
Renault's commercial director and a senior adviser to Mr Georges Besse, the chairman of the French car group, said Renault was not engaged in talks over collaboration between AMC, in which it owns e 46 per cent stake, and e major Japanese car producer.

Roneult has been seeking partners for AMC as part of its partners for Cotting and re-

partners for AMC as part of its overall cost cotting and restructuring strategy. Renault officials however confirmed yesterday that the talks with Nissan involving the possible use of Brampton production capacity has been balted. They also added that talks between AMC and Delibers of Jersen AMC and Delhatsu of Jepan over joint collaboration to produce a four wheel drive model for export markets had also

been suspended.

Renault has nonetheless reached an agreement with Chrysler which will be using AMC production capacity at the Ame production capacity at the US car group's Kenosha plant in Wisconsin to assemble Chryslor's upmarket models — including the top of the line

confirmed thet Renault's financial and industrial outlook was improving, he said the company remained vulnerable.

mitment to liberal open market the North American market policies. Japanese car imports built at its new \$675m \$459.2m are restricted in France to 3 plant at Bramlea in Ontario due per cent of total domestic to come into production in the

Five Japanese companies yes-terday started a court fight against auti-dumping duties on roller bearings imposed by the European Community, Reuter reports from Luxem-bourg. The Community imposed duties of between imposed duties of between 4.03 and 33.89 per cent on the five companies in 1984, claiming they were selling bearings in the Community at artificially low prices. The companies involved were Nippon Selko KK, Nachi Fujikoshi Koyo Selko and NTN Toyo Bearing. Minebea faced duties on bearings exported from Japan and Singapore. No date has been set for the next stage of the case.

that Renault would respect the EEC's definitions of a Euro-pean produced car and not seek to exclude UK assembled

stage of the case.

However, he said Renault However, he said kenaut strongly supported a call by Ford this month for much tougher criteria to be applied in defining whether e car was "European." Mr Derek Barron, chairman of Ford UK, said a new minimum content of 80 per cent measured by ex-factory cost should be applied.

A car can be sold throughout the EEC if it is assembled inside the Community with at least 60 per cent "local" con-tent but measured by ex-factory Fifth Avenne saloon—from next price. This allows an assembler to include all overheads and confirmed that Renault's percentage. percentage.
Claiming that Renallt was in

"better shape," Mr Dedeur-waerder said the state group company remained vulnerable.
Renault confirmed that it expects to cut its consolidated group losses this year to between FFr 4bn-FFr 5bn from FFr 10.9bn (£915,966) last year and a record deficit of FFr 12.55bn in 1984.

Renault's call for firmer ection against the Japanese in Europe reflects concern over the French Government's commitment to liberal onen market.

was committed to a strategy emphasising profitability rather than volumes. He added that Renault was continuing to back in full AMC's industrial profits in full A

House puts 12 more on ban list

By Nancy Dunne in Washington

THE US HOUSE of Representatives has granted the US Export-Import bank a new sur year lease on life and, at the same time, slapped new loan prohibitions against Angola, Afghanistan and ten other "Marxist-Leninist" countries. Congress had previously for-biddon Eximbank to provide trade financing to 18 "Com-munist" countries unless the President signed a waiver cer-tifying that it was in the national interest to lend to them. The new reantherising legislation redefines those countries prohibited from loans as "Marxist-Leninist" and odds 12 new countries to the list.

In addition to Afghanistan and Angola, the list now includes, Benin, Congo, Ethiopa, Guyana, Kampuchea, Laos, Mozambique, Nicaragua, South Yemen and Surinam. Of these, eight are now receiving exim loans, which they must lose unless the president pro-

vides a waiver. The new legislation contains the \$300m (£215m) "warchest" the president requested to combat the use of mixed credits, or financing which mixes commercial credit with foreign aid. Eximbank has already offered 13 mixed credit deals, three of which have been accepted, in anticipation of receiving the money.

It also provides \$145m to pay the real cost of the bank's direct

the real cost of the bank's direct lending programme. It allows Eximbank to subsidise commercial bank lending in support of trade, but only after it has first made \$700m in direct loans.

As a budget reduction measure. Congress is expected to give approval for the sale of Eximbank loans.

The legislation would problem or Eximpank loans,
The legislation would prohibit financing for production of foreign commodities that could be expected to compete with and damage US producers.

Rolls wins engine orders

QANTAS AIRWAYS, the Australian international airline and Cathay Pacific Airways of per cent of total domestic to come into production in the annual car sales. At the same time, the government is keen to encourage job creeting foreign investments.

Mr Dedeurwaerder also said Renault expects its European car sales to rise from 620,000 from (\$88.2m) to Rolls-Royce Mr Dedeurwaerder indicated cars in 1984 to 720,000 this year. Kevin Brown assesses the latest revival in the tanker market

Shipowners fear another false dawn

THERE WILL be some anxious moments in the boardrooms of the world's leading shipping companies in the next few weeks as the industry penders the prospects of an end to the prolonged recession in the tanker market.

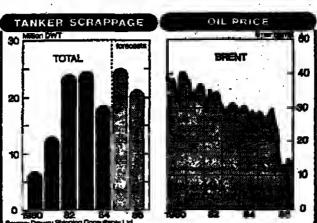
tanker market.
The signals up to a couple of weeks ago were that the market was entering its strongest period since the recession began with the quadrupling of oil prices in the early 1970s.

the dustion now, however, is how much of the apparent recovery was based on an artificially low oil price, and what the effect will be of the latest attempts by the Organisation of Patroleum Exporting Countries (Opec) to production.

Tanker owners have seen the beginnings of recovery before, only to have freight rates and ship values sink again after a temporary improvement. There are already warnings that the current upturn will turn out to be another false dawn—but also a number of reasons for believ-ing that this time it may be soundly based.
The current recovery was

triggered by the abandonment of controls on oil production by Ovec in December last year. The collapse in the oil price which followed led to a big increase in demand for tanker tonnego to transport cheep oil, particularly on the long-baul routes from the Middle East to Europe and the US.

Paradoxically, Opec's decision



gave a further : Middle September 1 gave a further!: Middle East during the boost to the tanker market as autumn. However, there is oil companies and traders com-little reason to believe in any peted to move as much oil from reversal of the increased flow appreciation, leading to the re- of oil from the Middle East."

of the increased flow of oil from the Middle East."

Whatever happens, the major difference between previous is that the present recovery in A iso charterers wait to see whet the improvements and this upturn is that the present recovery in A rates has been underplaned by of tanker loadings are likely to the size of the world fleet, ship that the production ceilings are unitiely to work in the ionger term because of the world oversupply of oil.

The latest indications are indicated that rates are indicated to the size of the world oversupply of oil.

The latest indications are as shipowners sor that rates are holding up well for tankers loading in the market prospects. Middle East, though interest The scrapping

routes from the Middle East to in very large tankers is waning.

Europe and the US.

Fearnleys, the Oalo shipParadoxically, Opec's decision broker, commented: "There of capacity was sold for demoliin July to out production by could very well be a hill in tion. As a consequence, there around an barrels a day from chartering activity from the has been a gradual move

East during

The escapping programme reached a peak in 1985 when a record 28m tonnes deadweight of capacity was sold for demoli-

This trend has been all but halted, however, as owners wait to see which way the market will go. Only one tanker was reported as being sold for molition in the whole of last

tankers on the second hand reduced ca market has shown a major appdeciation, leading to the repurchase of a number of ships after they had been sold for warning, he demoligion.

The most dramatic indicator of the change of sentiment in the market, however, is the the market, nowever, is the strength of orders for new ships, of which the \$100m (£67m) order for four 145,000 tonnes deadweight tankers by Gotaas-Larsen of Bermuda is only the most spectacular.

That order was followed by a \$70m contract placed by Adamanthos Shipping Agency of New York for four oil products tankers. South Korean shippards alone are reported to have wen tanker business worth around \$450m in the past few months. Prices are said to be around half the level of four years ago.

The number of tankers laid broker and offshore specialist, which likens the oil markets to tonnage now below 20m tonnest deadweight for the first time for years, according to E. A. Gibson, the London ship-brokers.

A surface reason for long but also to the possibility of the pos

demand, reflected in the fall in major oil companies, whose surplus capacity from 124m dwt share of the world flest is estimated by Mr Simon Bergstrand, shipping analysts of the Central shipping analysts of the Central London Polytechnic Transport Staudies Group, to have fallen

in the last 10 years, The effect of this is to increase opportunities for chorterers, and strengthen freight rotes, as In addition the value of soon as demand rises above the reduced capacity that can be handled by the oil companies'

> There are plenty of voices warning, however, that it is still too early to celebrate the end of the tanker market

Intertanko, the international tanker owners' association, says continued scrapping is "the only way to achieve any sustainable improvements in the tanker market, provided of course that speculative new ordering is avoided."

This is a theme echoed by other voices in the industry worried that easily available commercial loans will trigger an ordering boom which will undo all the painful good work of the last 12 years.

The current situation is probably best summed up by P. F. Bassoe, the Norwegian ship-broker and offshore specialist, which likens the oil markets to

A further reason for long- but also to the possibility of term optimism is the move out improvement."

Daya Bay plant loans top \$2bn

THE CONTRACTS signed in rules of the Organisation for Firm orders for this equipment Peking yesterday for the Economic Co-operation and have yet to be placed, On the British side, the Midton are supported by some term project finance for poorer \$2.2bn worth of loans to the Bunk of China whose repayment is guaranteed by the French than would have been required agent, for a group of six \$2.50n worth of leans to the Bunk of China whose repayment is guaranteed by the French and British Governments.

and British Governments.

France is backing a loan of around FFr 11bn (\$1.7hn) raised by a consortium led by the Banque Nationale de Paris, and the UK a credit of £42im (\$610m) through a group headed by the Midland Bank.

Chinese officials said the terms of the financing were the same in both cases. It is known that the UK credit is over 15 years, with a grace period of seven years, and at an interest rate of 7.4 per cent.

But the interest rate is less than would have been required under a recent OECD agreement for funding of nuclear power contracts. A British Govern-ment official in London explained that the Daya Bay contract had been exempted, with the agree-ment of other countries, be-cause negotiations began before Chinese officials said the terms of the financing were the terms of the financing were the same in both cases. It is known GEC of the UK, which is supthat the UK credit is over 15 plying two \$85MW turbine prises Credit Lyonnais, Societa generator sets, is put at generator sets, is put at seven years, and at an interest rate of 7.4 per cent.

The terms conform to the plied by British subcontractors.

managing banks.
The other British managing banks are Barclays, Lloyds Mer-chant Bank, National West-minster, Schroder Wagg and Morgan Grenfell. Participating banks are the Bank of Scotland, Kleinwort Benson, Standard Chartered Merchant Bank and the Royal Bank of Scotland. The French syndicate com-

Spain appeals for help on EEC steel imports

exports from other EEC number states.

Import quotas are already in effect for three major products—het rolled coils, cold rolled sheets, and heavy plates—since last March.

Spain has now applied for similar safeguard measures—provided for under the terms of Spanish membership of the Community—to be applied to galvanised sheet and wire rod dation.

The safeguard measures, if Imports of galvanised sheet approved, would last until the has increased from a monthly end of the year.

BY QUENTIN PEEL IN BRUSSELS THE Spanish Government has everage of 580 tonnes in 1985 appealed to the European Commission in Brussels for extra months of 1986, taking more protection from 2 surge in steel than 14 per cent of the Spanish

Imports of wire rod have increased from e monthly 3,959 tonnes last year to 9,057 this year, raising the market share of the EEC countries in Spain from 6.2 to 15 per cent.

The Spanish request is being assessed by Commission officiels, before Mr Karl-Heinz Narjes, the Commissioner for Industry

the Commissioner for Industry makes a formal recommen-



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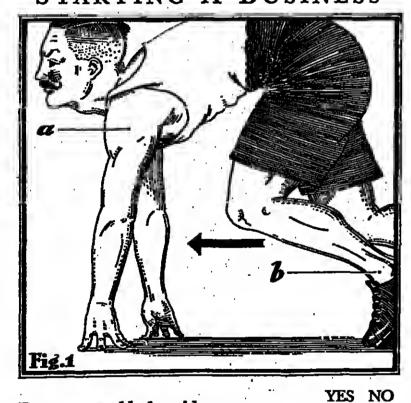
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Much of our business is derived from companies that have grown up with us. Which is why, not unnaturally, we are keen to provide this service to growing companies.

-STARTING A BUSINESS-



Do you need help	with y	our
business plan?		
Do meed sesi	etonce :	

Do you need assistance in preparing and reviewing financial projections?

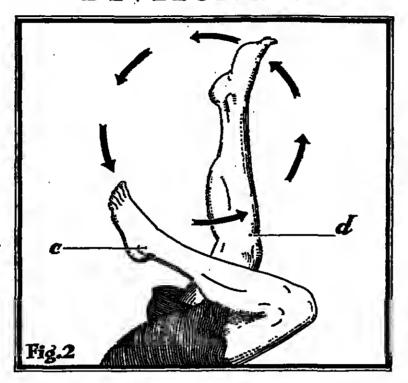
Do you need tax advice on an appropriate legal structure?

Do you need advice on financing strategies?

Do you need someone to make contact with the specialists you'll need-bankers, lawyers, etc?

Do you need help establishing accounting and other management information systems?

RAISING FINANCE FOR -DEVELOPMENT-



Do you need help to update the business plan?

Do you need someone to talk to on systems development, timing and planning?

Do you need help to establish procedures for preparing internal budgets and cash flow projections?

Do you need advice on when and how to recruit a good Finance Director?

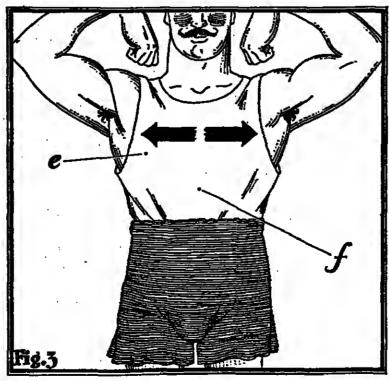
Do you need help in getting all the grants, tax allowances and other assistance available?

Do you need advice in assessing and meeting your financial needs?

Do you need someone to introduce you to financiers?

Do you need assistance in developing remuneration packages to attract key people?

-RAPID EXPANSION-



Do you need assistance in strategic and organisational planning?

YES NO

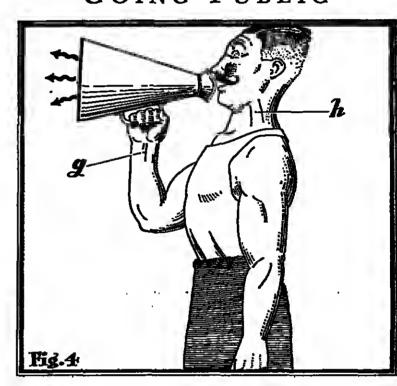
Do you need help in developing computer systems which will help management's changing needs?

Do you need training courses for management development?

Do you need help to identify and assess companies available for acquisition?

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Do you need advice on assessing whether going public will meet your business objectives?

Would you like introductions to stockbrokers and bankers and someone to liaise with them?

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FT/24/9

MANAGEMENT SPECIAL: The Battle for Allied-Lyons

The ministry of defence

By agreement and in strict secrecy, Christopher Parkes was a 'fly on the wall' when the UK brewing and foods group organised its resistance to a £1.8bn bid by Elders, the Australian brewer. His four-part report offers an intriguing and sometimes amusing picture of this corporate drama

ALLIED V. ELDERS - THE DEFENDERS

ALLIED-LYONS MAIN BOARD

WAR CABINET

meets weekly rick Holden-Brown, Sir Alex Alexa John Clemes, Tony Pratt, plas

SHAREHOLDERS POLICY COMMITTEE

John Clemes, Tony Pratt, Charles Sarker City, Warburgs plus

PRATT COMMITTEE (1)*

ir Derrick, Sir Alex, Tony Pratt, Malcohn Wright, Nick Gent, David Mitchell, Michael Crofts, Godfrey Linnett, John Mills,

PRATT COMMITTEE (2)* Tony Pratt, Malcolm Wright, Nick Gent, Michael Crofts David Mitchell, Godfrey Linnett, John Mills, reps from

DMMUNICATIONS COUNCIL* meets Tuesday noet plus reps from Saatchi & Saatchi, and



THE AUGURIES were not good. Death's heads leered down from the plasterwork cailing. Fleams, the stylised blood-letting instruments which also figure in the arms of the Worshipful Company of Barbers, twinkled in the television lights

Apparently hlinded to their presence, John D. Elliott squinted across the Barber-Surgeon's Hall et the antagonistic London Press corps. "Is he wearing stage make-up?" some-

wearing stage make-up?" someone muttered.

The managing director of
Elders IXL, an Australian
brewing, sheep shearing and
trading conglomerate, had
lumhered into the heart of the
City to announce his plan to
take over Allied-Lyons, pluck
out the hrewing plum, sell off
most of the rump and—with
relish—sack the "tired" senior
management.

relish—sack the "tired" senior management.

Andrew Cummins, his strategy chief, sat impassive as John D. served up his cocktail of mild slanders, leaden irony, lavatory jokes, a quote from Churchill—"my mentor"—and the merest sprinkling of hard information on his scheme for a leveraged assault on one of the higgest companies in Britzia.

Sweating visibly, Elliott blew noisily on s Mariboro, uncon-scious of the No Smoking signs, and fielded a handful of surprisingly tame questions from an audience seemingly mesmerised by the complexity-or dumfounded by the sheer cheek of his scheme to buy out a leading member of Britain's beerage with mostly borrowed

"It's going to be e tough job to turn this company round," Elliott volunteered. Holbein's Henry VIII scowled from the wall to his left.

A spy from the Allied camp sat et the back, scribbling: noting the content of the content.

ence, the mood of the press, the style of the man and his team.

. and sketching the anti-Allied graphs and diagrams which formed the backcloth to

DAY

The Allied-Lyons defence corps pored anxiously over a photocopied digest of the intelligence-gathering mission. The men from S. G. Warburg were particularly taken with the abusive distortions of the Allied logo on the press con-

"It was on TV and in effect advertising. I think we should shop him to the Takeover Panel," enthused Michael Valentine, a Warhurgs director, hug-ging his copy of the Takeover Everyone seemed much hap-

pier. The first counter punch, more of a feint than a telling hlow, had been thrown. Valentine, a prime mover in the sixman merchant banking team assigned to guide the Allied defence, and who was a constant and occaas e skilled trainer and occasional target for the
brewer's team, had demonstrated the artilleryman's art of
firing a sighting shot.

As heppened frequently in
the opening days of the defence,
the Allied management had
started the day psyching itself
up into a gung-ho, up-andhim temper.

Sir Derrick Holden-Brown,
Allied chairman, smilled indulgently et the early morning
horseplay. A sheaf of sceptical

orseplay. A sheaf of sceptical newspaper reports on yesterday's press conference was tossed onto the boardroom table: "That's one in the eye for Elliott . . Every journalist I've spoken to left the presentation with a nasty taste in his The Elliott personality

played an important role in the early phase. Lacking any real detail on the substance of the bid, and knowing surprisingly little about the attacking com-pany, the defenders had little to go on. The structure of the and the significance of formally making the offer, were mysteries.

The Allied camp relied heavily on their own and media perceptions of the man to keep up their morale. He had insuited them and their company. They were "tired"—even "awful"—the food division was s "hotch-potch," and most of the group's major products were number two in their markets, Elliott claimed. Entirely subjective judgments on his physique. de-meanour, his "piratical"

manner, his smoking and vague reports of ruthlessness in his home territory all served to the tendency to personalise the affair. It was rare

SER DÉRRICK HOLDEN-BROWN However, the Australian had come some way into the open. Tha long wait from September 5, when Elliott first formally signalled his intention to hid, was over. The group had been twitching nervously since the spring when it first detected unusually large transactions in its shares.

Tha "phoney war" was et an end, declared the Financial Times. Elliott had revealed himself as a 1970s-style asset-stripper, said the paper's leader

column.

The target had been clearly sighted and the cry went np among the defenders for the order to charge. Supported hy Sir Derrick and Sir Alex Alexander, his grouchy, cunning vice-chairman, Valentine held the line. There was, after all, nothing to charge et.

He insisted that for the moment the company should maintain its defensive posture. There was work, albeit unexciting, to be done. "We must go on improving public ettitudes towards the company as far as

towards the company as far as we can. We all agreed before the hid that we needed to im-We need to get across that

this is e very solid, very serious, very successful company," Valentine ruled. The scepticism of the press reports that morning had done enough to keep et least the private share-holders in an anti-Elliott mood. Playing heavily on Allied's recent successes, Saatchi and Saatchi's series of hland corporate edvertisements was to act as an effective smokescreen behind which the company could dig in and prepare its

offensiva in the four weeks be-fore the appearance of the official offer document. Then the group would really know what it was up against.
The defenders were already preparing a softly-softly campaign to have the hid referred to the Monopolies and Mergers Commission. If the pressure were to succeed, the battle would drag on for months. Allied needed to hold its hest

offensive tactics in reserve. Even so, Elliott's first shots had rattled nerves. Richard martin, chairman of the beer division, reported much anxiety in his camp. "It would help if someone were to give him a bloody nose. It would be good for morale if nothing else. "You've got to be patient," said Sir Alex, a man not par-ticularly noted for this quality. But even he had not escaped the effects of the scatter-gun lambasting handed out at the Elliott Press conference. He declared himself greatly miffed at having been telephoned by a Wall Street Journal reporter checking the jibe that Allied's management had nothing better

Jasper Archer, a director of Charles Barker City, the press and public relations firm, cheered everyone up. He had done a straw poli of two draymen unloading st the Magpia and Stump Elliott, he reported, was judged in satisfactorily negative terms. In the eerly days Archer was to do almost as much of his PR work inside Allied beadquarters as in Fleet

By now the Warburgs disci-plinarians had taken a grip. The Saatchi & Saatchi ad men were briefed to stick to the corporate promotion line to run for the next four to six weeks. in Europe. But we'll also develop e

INDIVIDUALS AND ORGANISATIONS INSIDE AND BUTSIDE ALLIED-LYONS must try to take the initiative. Elliott falled yesterday, so he'll probably be back. We must be constantly ready to get back et him immediately." Archer, meanwhile, would continue to coech the chairman and his closest confederates in the art of dealing with Crub Street of dealing with Grub Street, Coaxing the front-liners in

the defence team with half promises of a chance to ettack later, Warburgs set them dig-

With almost 70,000 employees on the payroll, and—as Elliott had taken pains to point out— about 100 managing directors in the group, Allied would be well advised first to set up a substantial internal communica-tions network through which it could rally its troops.

Elders IXL was already at work. Citibank, the co-ordinator of the bid funding had already made et least one approach to an Allied subsidiary offering assistance should the managers there ever content. managers there ever contemfrom the group. Pub tenants was to be channelled, assembled had been questioned by the for its orders. opposition. They needed to be Chairman Tony Pratt, kept up-to-date and on-side to forestall any temptation to speak or even think favourably of Elliott's vague but revolutionary plan to offer them an equity stake in their pubs.

The significance of War-burg's morning message on communications was rubbed bome at lunchtime by a truculent presence stamping in the corridor. "What am I here for?" snorted an assistant managing director fresh in from Barton upon Trent. "I'm here to give someone a good kick in the balls. That's what I'm here for . . . What the hell's going on?"

The company lacked some of the most basic tools for corporate communications. There were plenty of channels in the three divisions and the plethora of operating companies. But here was, for example, no centralised register of employees. Heedquarters had already bent house rules by embarking on its first corporate advertis-ing campaign. Now it was to tinker with its carefully-con-structed, highly devolved management structure to get lis message through at all levels ... and to place e finger on

the company pulse.
Warburgs, in the meantime,
was to work on uncovering the mysteries surrounding Elders, seeking cracks in his defences for the time an offensive might be considered timely. "Knockto do than issue ordinances on ing copy" was being prepared the colour of lavatory paper and no affort was being spared permitted in staff tollets. "Let to prepare a document which him degrade himself." Sir Alex came to be known familiarly as said, adding gleefully: "I don't "The Dirt on Elders."

have to talk to the Wall Street Journal."

dumps had been built up could Warburgs allow the defence teams to consider the main assault. Even then it would not be launched at Elliott the man. Elders the predetor company or any of their associates. The main target, Warburgs explained patiently, was to be the group of fund managers wheeling and dealing on behalf of the City's pension funds, nsurance companies and unit trusts. They numbered a mere 270, but between them they controlled more than 70 per cent of Allied's equity and the destiny of the top 50 companies

The company's formal com- tion of a promotional video to munications network may have seduce the shareholders into knocking campaign to keep on munications network may have the stocks," promised Saatchi been shaky, but the jungle director, Michael Dobbs. "We telegraph was throbbing

DRAMATIS PERSONAE Alliel-Lyuns Sir Derrick Holden-Brown, chairman Sir Alex Alexander, vice-chairman John Clemes, finance director, Richard Martin, main board director, wines and spirits
Trony Pratit, group investment controller
Malcolm Wright, beer division
David Mitchell, J. Lyons
Nick Gent, wines and spirits
John Mills, headquarters staff
Godfrey Limett, HQ
Michael Crofts, HQ
S. G. Washung
Michael Valentine, director for Trade and industry Nigel Lawson, Chancellor of the

DEFENCE OPINION DOCUMENT TEAM POLLSTERS

why we are not throwing it back." From headquarters: "There is e feeling that we are not being assertive. If there is a reason why we are playing it

cool, then we should tell people."

Pratt, a resolutely good-humoured man, consoled them with a report of the feelings of with a report of the feelings of anyone angst apparent at the morning please meeting. "The consensus was that we don't want to get down into the gutter," he warned.

"But we might later on," he offered, ruhbing his hands.

For the moment, the main aim was to have the hid referred to the Monopolles Commission but not to be seen to be pressing.

In the meantime there was other work to be done. Indig-nation and zeal evaporated as Mark Seligman, a young hlade from the Warburg stable, demanded numbers—as much information as the divisions could provide on the position in the market of Allied brands so scorned by Elliott.

That was not going to be easy. Statistics were a delicate easily-manipulated commodity. A marketing or edvertising man might consider them easy to handle. But the defenders were administrators, accountants, investment specialists, backroom managers unused to the artics of the window-dress-ing trade. For good measure, they were wholly ignorant of the Takeover Panel's insistence on precision.

"Elliott isn't bothered," com-plained Malcolm Wright, cor-porate development chief from the beer division. "But here we are tripping over ourselves to be 100 per cent accurate." Seligman offered a carrot . . a hint that the Takeover Panel might be interested in using strong counters to Elliott's claims as a stick with which to beat the opposition.

The grind had started. The mailing list had to be compiled, a briefing for managers was needed to help them handle the local press, a conference had to be arranged to allow the top 700 senior staff to come together to be briefed by the board and its advisers. And who was to oversee the produc-

resisting the bid?
Saatchi and Saatchi was

proper, rumblings had reached opinion polls. No one was to Allied House from all quarters. Echoes of concern sounded in and small, pub tenants and the morning by Richard Martin even e 10 per cent sampla of were re-echoed in the afternoon as the Pratt Committee, the sweat shop through which most of the corporate defence effort to their opinion of Babycham's status in the drinks market.
And Seligman was soon to Chairman Tony Pratt, demonstrate the rigours plucked from the comparative working shoulder to shou

VIDEO ELDERS UNION DEFENCE MATERIALS

plucked from the comparative working shoulder to shoulder varieties, listened patiently as his colleagues reported anxiously.

From the food division:

There is e lot of mud heing thrown and they want to know handle questions from the food division: customers, college

John Mills, group head of corporate and economic planning, protested obliquely: "A committee that sets out to design a horse ends up with

A voice from Charles Barker City chimed in wearily: "If anyone has any hard facts, please let us have them and we'll pass them on to the

DAY 3

11.00 am, the Lobby Group Anthony Hilton, City Editor of The London Standard was about to start work on his thumb-sucker article for the following day's first edition. It would argue that Allied should be left to fight alone and declare thet a reference to the Mono-polies Commission was not in the national interest. It was to begin: "The phone lines between the City and Westminster are burning hotter each day as the lohbyists begin

to pressure . . ."
But the phones had yet to ring. At Allied House the only pressure evident was coming from Warburgs and being applied to some in the Allied management team who were again straining at the leash. Organising a lobby for the bid to be referred to the Monopolies Commission, one of the most vital—and certainly the most delicate-manoeuvres of the whole campaign, the merchant bankers were taking no chances. Warburgs director flugh Richardson took control immediately. Allied's John Mills, group head of corporate planning, and the man charged with coordinating the labeling with co-ordinating the lobbying process, looked peeved as the Warburgs game plan plopped on

to the table. "Arrogant as ever," offered epology. There was much concern thet Harry Greenaway, MP in Lyons-

had had the temerity to jump tha gun and without so much

as a by-your-lesve, to table a

Parliamentary question demand-

people in the trade unions." hinted Sir Derrick, This dis-cussion would have to be con-

Prait committee man Michael Crofts looked puzzled. Batches of the chairman's letter to employees had been returned from confused addressees who claimed never

to have heard of Allied-Lyons.

they worked for Teiley or other operating companies. The corporate communications network was clearly a useful idea.

Seligman issued his instruc-

with the company logo.

game which followed.

Name e strong upmarket to lour. The reds have it.
Maroon? A policy decision is taken that the term "claret" will not be used when the proposals are put to the chairman. It is considered that no colourist can match the beauty Sir Derrick is deemed to behold when contemplating a glass of

when contemplating a glass of his favoured vin de Bordeaux.

And every cover needs e slogan. "Elders buries wines"

went down well in the faintly hysterical atmosphere. Selig-

man, giving up on creativity, ruled: "There's precious little evidence that slogans make any difference to a bld."

The slogan question would remain open, decided Tony Pratt.
There would be a competition.

The prize was one Becker's

eat sausage. Even the fly

JOHN ELLIOT

parliamentary question demanding a reference to the Monopolies Commission and a statement on the hid from Leon Brittan, then Trade and Industry Secretary.

"One prefers to have things controlled rather than shooting off in all directions," murmured Arthur Butler, e political lobby specialist from Charles Barker, Watney and Powell.

Control was all. The objective was a precise as the wording was tendentious, The saim of the Allied lobby was: "To enable the Secretary of State to reach the correct decision on whether to refer the proposed takeover to the Monopolies Commission."

The reference to the Monopolies Commission."

people in the trade unions." This discussion would have to be continued elsewhere.

3 pm.

Time for Charles Barker's creative team to have a taste of the Warburg style. They had arrived to discuss the defence document, the formal rebuttal of all the charges made against the target and the statement of its case against the hidder. It would not be published for a full six weeks. Since the Elders IXL offer document had not yet been sighted, most of the contents would have to wait. But every defence document needs a front cover. lies Commission

The rules were strict: Allied was not to be seen to be attempting to gain a reference. If asked hy journalists, Allied would reply "the decision is a matter for the authorities."

A rigid timetable was set down, targets were chosen and Sir Derrick and Sir Alex found themselves nominated as the principal hit men in a campaign which was to stretch from No 10 Downing Street to the keg washing plant in the Alloa Brewery in Scotland. Using weepons ranging from a gentle word in the ear to e heavy lunch, Allied was to attempt in effect to manipulate the mood of a substantial slice of the population with a stunningly sophisticated propaganda pro-

gramme. The gregarious vice-chairman -Sir Alex is said to boast an address book as thick as e telephone directory-had already been warned not to make con-tact too widely among his many friends in the Conserva-tive Party.

"There are about 120 in the party who are either ministers simple on the front cover. Preor part of the Government in ferably uncontrived, with some way," said Mills. "Then there's another 150 or so who The boxing glove and Britannia." there's another 150 or so who if they raised anything in the House would be laughed et because they don't understand the time of day."

"We don't want the issue raised in the House," ruled Richardson. "The aim is rather

for them to write to the mini-ster individually and say the last thing I want is job losses

in my area."

"We have only one bite at this. We must be sure we get it right. My last two bid defences have both gone to the Monopolies Commission. We're going for a hat-trick and we're relying on you," he twinkled. Richardson took a back seat only when the Allied executives began to labour with the looming problem of the trade unions. stolen a march and yesterday made a cursory attempt to seduce shop stewards in the beer division. Reports of the talks had already reached

Elliott, the reports said, was concerned that he had not given any assurances about jobs at his Press briefings. Since the beer business was the portion be most wanted to ke he had felt it necessary to build bridges. Sir Derrick had countered promptly, calling friendly contacts at the General and Municipal Workers Union "try-ing to damp things down." The company faced a considerable dilemma. The unions, concerned mostly about job

security, were an important link in the lobby chain. They would be asked for their views by the Office of Fair Trading "Arrogant as ever," offered and brought back into play Richardson, by way of an again should the Monopolies Commission investigate. But corporate policy ruled that contacts with unions were

territory, Ealing North, to be handled only at local level. Headquarters had minimal contact.

making demands: "Anything on Elders. We need as much factual dirt as we can get."

Unusually, the Offices of Fair Trading had asked the company to provide a defence plan summary—to be known fondly as "the charge sheet"—to belp guide it during its verbal interviews with Elliott and his advisers.

making demands: " Anything on

"because all the elements which usually arise in these cases are missing." It was clear that the euthorities were as much in the dark about Elders IXL, the structure of the bid, its backers

cheerily.

But first the lawyers had to defend Allied against the Elders charges. They needed the fullest possible market share information about the group's products and everything on innovation to refute the accusations that Allied was losing ground in tha marketing battlefield and consistently coming second. More trench work for Pratt's men...

But the mention of "dirt" was much more enticing. Elliott had boasted of his management expertise. What evidence was there of this? Warburgs claimed he had cut a swathe through

there of this? Warburgs claimed he had cut a swathe through the senior Elders ranks, getting rid of anyone over 50.

"Terrific stuff," said the lawyer, unconvincingly. Remembering Warburgs' stringent standards, Richardson promptly back-pedalled. "We must avoid making assertions which ere not absolutely supportable." he said.

lad shown up . . . e disaffected Elders executive was helping . . . there was something funny about the financing of the company's scheme for selling Australian publicans e share in their pubs . . Elliott's finance subsidiary hed recently doubled its borrowings to \$A2bn on net assets of \$138.000. What did it all edd no to?

SAZon on net assets of \$138.000, What did it all edd np to?

"It's a pretty scary story when you lift the lid off," suggested Seligman, again without much conviction. The seekers after truth appeared to have little of substanca with which to attack the opposition. They seemed to be making

a few days left to prepare their charge sheet, tried to keep up the pressure. "Can we say he doesn't give a bugger for

not appear to worry about employee relations. But this was The roughs bubbled with aggression and self confidence. Mark Seligman looked on stony-Mark Seligman looked on stony-faced as the artists proffered a boxing glove clutching the corporate emblem (e stalk of barley which is known quirkly recently thet be appeared not to in the group as "the wheat-the sheaf"). He glared at proper links with the work-force.

The lawyers, meanwhile, were

having difficulties with com-munications of e different sort. tion. "We need something They had been struggling to simple on the front cover. Pre- discover the precise links bediscover the precise links be-tween Elders IXL and the tangle tween Elders IXL and the tangle of subsidiaries and associetes which led to the hid on Allied's doorstep. They had knitted together an impressive diagram embellished with boxes, brackets, lines straight and lines curvy . . and e liberal sprinkling of ominous question marks. They had et least identified the hanks behind the deal every one of them e highly reputable, large-scale inter-

> panies Registration Office and runmaging through the background on Eliott's associations

in Monaco.

They had one hardish fact:

Despite the claim in Hill
Samnel's (the merchant bank
edvising Elders) latest announcement that the ultimate
interest in the offers is effectively that of Elders alane.

Allied-Lyons could equally well
fall into 100 per cent ownership of the banks. Unless
the loans are repaid, the
economic interest in the offers
remains firmly with tha banks."

Warburgs was in touch with Warburgs was in touch with tha Bank of Engand on the

vexed question of the banks' involvement, checking whether Threadneedle Street hed any anthority to intervene. US lawyers were scrutinising the legal position of Citibank, the consortium leader.

Consortium leader.

Working from tips in press reports, Warburgs had concluded that the Elders offer document was likely to be publication. lished on November 18. Working forwards, Seligman noted ing forwards, Seligman noted that crucial dates for the defenders were straddled uncomfortably across the Christmas holiday. Allied's last data for publishing profit forecasts would be December 27 and Elliott could revise his offer on January 2. As were A modest point, but it was famour could revise his offer on enough to give an extra edge later, the Australian had a called to collect defence to ensure maximum material. to ensure maximum discomfort

DAY 8

was invited to join in.

Defence Group Elliott had e hard time in his

interview on the Money Pro-gramme last night. He had shown himself to be weak on detail. Even so, he was getting the air time, and on the principle that any publicity was good publicity, he was one up on Allied.

A modest point, but it was

"We have some friendly material. Now the lawyers are for the targets.

visers.

Warburgs men were puzzled for once: "It's very unusual." The OFT, it appeared, had asked "because all the elements which

at AHied.
"It's good that they asked us.
We can push them along the
right lines before they see
Eders," the lawyer noted

said.
The bank had been devilling in Elders accounts, however, and one or two question marks had shown up . . . e disaffected

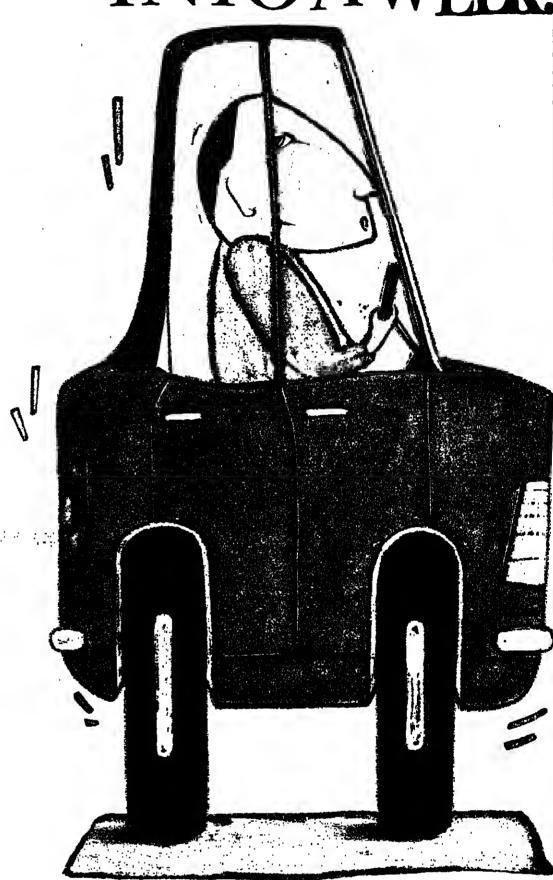
They seemed to be making cheerful noises to keep up their morale rather than following their usual incisive track.

Melanie Gee, devilling for Warburgs, claimed Elliott did

The boxing glove and Britannia bit the dust. He liked the look of the annual report, a plain, distinguished, dark-blue ground The artists slumped. They were in no mood for the party game which followed.

> national name. Legal experts were also delving in the Cardiff Com-

WHY WESQUEEZEA YEAR'S DRIVING INTO A WEEK



Bolted into the average motor car, an engine clocks up about 10,000 miles in one year Potel onto a computerised testrig, an engine clocks up about 10,000 miles in one week. Seven days an engine clocks up seven nights of remorseless pressure. We put engines through this and many other tots a our Cheshire Research Centre. The aim is to fine-tune our fuels and lubricants. And tomat sure oil and petrol design pushes about 1513 as, or faster than, engine design. Also, we must admit, to squash the hopes of our competitos



Anthony Moreton examines how the leading acrylic fibre producer is meeting the demands of a changing world market

Courtaulds spends £1.5m to spin a yarn for its future

COURTAULDS, the world's Bayer's 19 per cent and 17 per leading producer of acrylic cent for Montefibre of Italy.

Acrylic is very much the output of the yarn from its Grimsby plant by almost a third with the introduction at the beginning of this month of a

of a rolling programme costing some £5m to £6m a year to keep the company ahead of the

Mr Harold Beaufoy, chairman of Courtelle, the company's acrylics arm, says: "Five years ago we did not really know if there was a long-term future for the fibre. Our track record over the intervening years not only shows it has a future but also that we are the company to it.

It does not break down the figures for acrylics but output this year is expected to reach about 190,000 tonnes, giving it a quarter of the European market and a slight lead over its nearest

Acrylic is very much the European fibre. Nylon, the first of the three great man-made fibres, was discovered by Du Pont and remains the bedrock Acrylics are particularly suitable for the knitted-goods industry, and the unit is part fibre.

Acrylics are particularly suitable for the knitted-goods industry, and the unit is part fibre.

Acrylic remains European, geared to the knitted-products industry and a suitable fibre for use on its own or blended with use on its own or blended with cotton or wool by the sophisticated clothing manufacturers.

Montefibre, Anic and Snia of Italy, West Germany's Hoechst and Portugal's Fisipe all directly compete with Courtaulds, though only Bayer and Montefibre competences.

that we are the company to benefit from it."

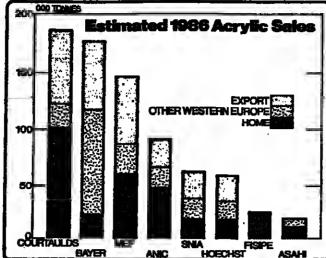
Courtaulds is one of the world's top six textiles to clothing concerns. These sectors account for about 70 per cent of its £2.17bn annual turnover.

It does not break down the

"The basis of our strategy," he says, "is not just to be the leader in our chosen market sectors through strong brand competitor, Bayer of West Germany.

In capacity, though, Courtaulds has a strong lead. It accounts for 27 per capt of Fernand Strong brand the world for suppliers."

counts for 27 per cent of Euro-pean capacity compared with demand until 1984 from two



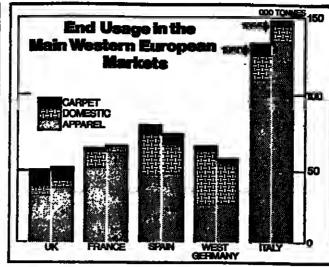
factories, the Grimsby plant and another in Calais. Then it bought El Prat de Liobregat in Barcelona from Cyanenka and expanded its empire.

The Spanish acquisition was important not only because it took Courtaulds into the second largest individual market in Europe but also because it was then producing in countries that, in total, bought more ecrylic than the European leader that leader Italy.

The Italians, with their strong strong. fashion industry, consume Cour

a year, more than 90 per cent going to clothing. Before the Spanish purchase, Britain and France were consuming about 110,000 tonnes: with Spain, the figure rose to about 180,000

Breaking into the Italian market would have been difficult, given the strength of the three Italian producers. But Courtaulds now has "home" markets which are virtually as



advantage over its competi- batch dyeing." tors: in how it dyes the fibre. "We dye the fabric in over 100 different colours every week," Mr Beaufoy says, "of which 10 to 15 will be new

The advantage of Neochrome is not just in the dyeing process. The real importance is that it allows small amounts of output, under five tonnes, to be produced more cheaply than by the conventional process. the conventional process.

Neochrome-dyed acrylic costs between 15p and 20p a kilosystem, called Neochrome, by which we impart the colour five and 10 tonnes compared to the fibre while still wet.

This gives enormous advantages over conventional

At the same time, at its process.

production run much more quickly. Some companies take up to seven hours to change colours. Courtaulds has got the time down to about 14 minutes. Both speed of change and the ability to produce small amounts of fibre at low cost are exactly what the customer wants. Faced with increased

import competition from low-cost sources, the gament manufacturer is reacting by changing fashion and styles more frequently. The traditional two seasons—spring and antumn—have long been replaced in Europe by at least four, with six not uncommon. The change in emphasis et shop level would have been impossible without developments such as those which Courtaulds has helped pioneer on the factory floor.

Mr Beautoy is aware that this leading position will be main-tained only by "continuing to invest steadily." Imports from Taiwan, South Korez and Turkey are beginning to creep up. To keep Courtailds ahead he is looking for other countries to buy into. With Europe virtually a closed book, because there are so many strong com-petitors, and the US a "missed opportunity for Europeans," the logic of his thinking, though he will not officially admit it.

ads to Latin America.
This strategy also demands

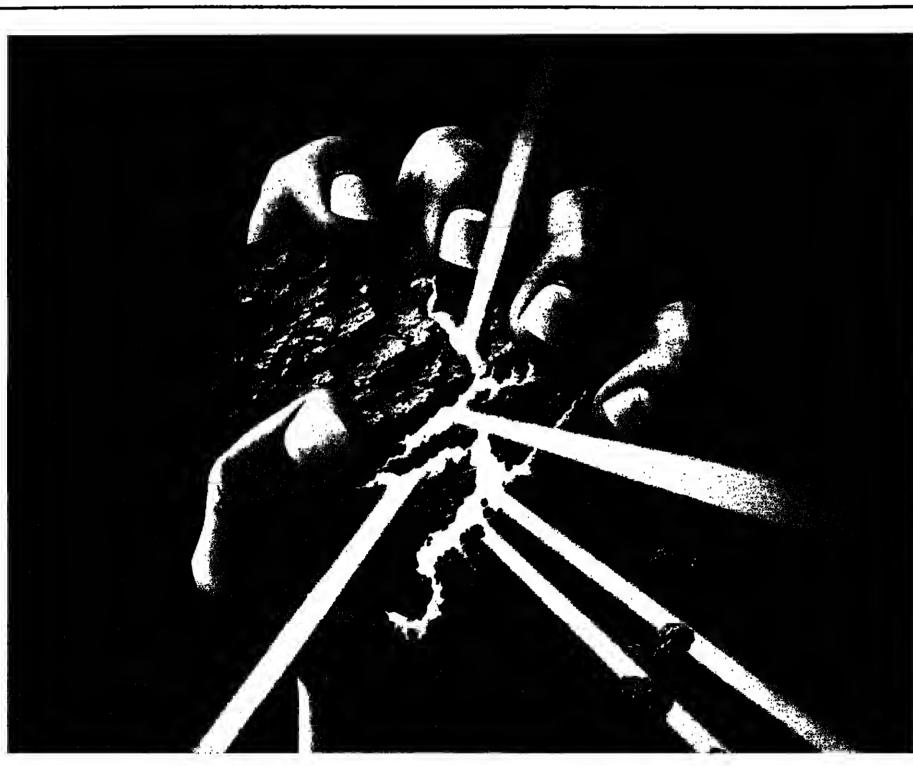
sible to switch colours on the that Courtaulds should move production run much more into other high-performance quickly. Some companies take uses for acrylic. According to Mr David Buck, textile analyst at brokers de Zoete & Bevan: "A small but fast-growing part of Courtaulds' acrylic business is in industrial textiles for carbon fibre manufacture where £20m sales are growing at a minimum of 20 per cent a

Courtaulds has about 10 per cent of the world market, through Hysol Grafil, a com-pany half-owned with the Dexter Corporation of the US, supplying advanced polymer composites, a sector that has been growing at more than 40 per cent a year for the past five years.

Carbon fibre, although small typifies the sort of specialisa-tion, alongside Neochrome, which is building Courtaulds' position of strength for the future, according to Mr Buck.

The company is making a hydrophylic fibre on an experimental basis to be able to produce, eventually, a small-volume, speciality fibre. Other research is being undertaken on high-lustre fibres and with a more absorbent fibre for use in medicine.

"There has been a recovery in confidence in fibres," accord-ing to Mr Beaufoy, "and Cour-telle is well placed to take full advantage of it,"



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Message from the Secretary of State

for the Environment We are all aware of how unsightly, offensive and dengerous litter is and how it makes our surroundings less pleasant. It can affect each one of us, either in the oties, towns and villages where we like and work, or on the beach and in the countryside when we relax. Litter is also costly to clear up. The said fact is however that litter is unnecessary. We create it ourselves through thoughtless actions and earsiese habits which could be avoided by more consideration. It is difficult to near made records to exercise amongstifiely for their and easeless habits which could be avoided by more consideration. It is difficult to persuade people to exercise responsibility for their waste, and it is in this regard that the Keep Bittain Tidy Group make an involuable contribution. Their Community Environment Programme offers a comprehensive approach to filter abatement and involves all sectors of the community in tacking the root of the problem by aiming to change attitudes. The past year has shown the Group's continuing success in encuraging local authorities to adopt this well-balanced Programme. This success cowes much to the use of the Group's staff employed under their Community Programme Agency with the Manpower Services Commission.
It is encouraging to record other achievements. The Beautiful British Campaign has again attracted more support and participation from local authorities, voluntary organisations, inclusive and commerce; and this year has seen the publication of the Group's telest research report on making litter.

I can truly say that the Keep Britain Tidy Group is an excellent esempte of how organisations can assist Government in its tasks.

example of how organisations can assist Government in its teales, and indeed how, through the efforts of a number of dedicated start, the goodwill and enthusiasm of others can be harmeased to hake graduate the provinces.

The CBI says "Clean Up -- it's Good Business" Please consider contributions and joint sponsorship schemes Keep Britsin Tidy Group, Bostel House, 37 West Street, BRIGHTON BN1 2RE Tel: (0273) 23585. Registered Charity No. 205976.

*Edracted from the Group's Annual Poport 1985/86.

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U.S. \$50,000,000 5% Convertible Bonds 1998 NOTICE OF FREE DISTRIBUTION OF SHARES

ADJUSTMENT OF CONVERSION PRICE We, Yamaichi Securities Company, Limited, hereby notify that, as a result of a free distribution of its Shares of Common Stock to shareholders of record as of 30th September, 1986, Japan time, at the rate of 0.03 new Shares for each Share held, the Conversion Price of the above-captioned Bonds will be adjusted pursuant to Condition 6, paragraph (A) of the terms and conditions of the Bonds under the Trust Deed dated 2nd August, 1983 from Yen 415.60 to Yen 403.50 per Share, effective as from 1st October, 1986, Japan time. The date of issue of such new Shares is 14th November, 1986.

YAMAICHI SECURITIES COMPANY, LIMITED 4-1, Yaesu 2-chome, Chuo-ku, Tokyo, Japan September 24, 1986

> National & Provincial

Building Society

£200,000,000 Floating Rate Notes 1996 Notice is hereby given that the Rate of Interest has been fixed at 10% p.a. and that the interest payable on the relevant Interest Payment Date 22nd December, 1986 against coupon No. 3 in respect of £5000 nominal of the Notes will be £130.11 and in respect of £100,000 nominal of the Notes will be £2,602.23.



UK NEWS

Steel suffers defeat in crucial defence vote

BY PETER RIDDELL, POLITICAL EDITOR

MR DAVID STEEL, the Liberal leader, yesterday suffered a highly embarrassing, but not necessarily irreversible, setback to his hopes of producing a joint Alliance nuclear defence policy with the Social Democratic Party (SDP).

After a tense and impessioned two-hour debate, the Liberal As-sembly in Eastbourne decided by 652 votes to 628 to back an amendment that any British contribution to collective European defence should be non-nuclear

This vote was despite the original view of Mr Steel and most Liberal MPs that the amendment would close off the possibility of discus-sions about nuclear policy between Britain and France, as the Alliance leaders have recently proposed.

The vote will undoubtedly can strains within the Alliance as SDP leaders will feel that Mr Steel has failed to deliver his party for the European compromise, SDP last week backed.

However, Mr Ian Wrigglesworth, an SDP MP, tried to draw some comfort by saying the Liberals were not unilateralist. The result will, however, be seized upon by Tory leaders to attack the Alliance's credibility.

speak in the debate, quickly moved

Telegraph

agreement

The agreement, which provides for a 60 per cent reduction in manning levels and binding arbitration,

The manning levels, rates of pay, job security and procedures agreed are, I believe, going to

Ms Brenda Dean, general secre-tary of Sogat, had intended to sign

on behalf of her union but was de-

layed. She said in a statement that the agreement demonstrated that with good will on both sides unions

and management can reach collective agreements satisfactory to both

The other production unions have

work, said Mr Miles.

tional by next April.

By Raymond Snoddy

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mendment by the movers.

The Liberal leader said that the proposers had denied that the amendment was an obstacle to further discussions with the French and accepted that the Liberals could not obtain 100 per cent of what they wanted in any Alliance

These ambiguities of wording may allow Mr Steel to produce an agreed formula next year, but he will have to take into account the

Mr Steel and his advisers had been confident of victory, after con-ciliatory gestures on Monday by Dr Owen. The defeat partly reflected the desire of Liberal activists to assert their own party's identity and long anti-nuclear record within the Alliance. But there was also widespread suspicion of the recent pro-posal by Mr Steel and Dr Owen for British/French nuclear discussions and for an alleged new Euro bomb.
Umsnally for a party conference,
the vote also appeared to be influenced by the debate itself with the

to minimise the significance of the vote. He described it as "only an irritant and not a serious setback." In particular, in a warmly received speech, Mr Simon Hughes, the Lib-He said he would live with the result in view of the narrow margin and the interpretation placed on the he emphasised the need for a non-

nuclear approach. Yesterday's debate provides a parallel with the decision two years ago, also against Mr Steel's wishes, to urge the removal of US cruise missiles from Britain. On that occa-sion, Mr Paddy Ashdown, the Liberal MP for Yeovil, acted as Mr Hughes did yesterday in challeng ing the leadership. But yesterday Mr Ashdown sided with Mr Steel despite his reservations about any British/French nuclear deterrent.

were claiming last night that the vote would strengthen Mr Steel's hand in talks with the SDP, though there are no signs that Dr Owen will change his belief that Britain should remain a nuclear power at-

Opening the debate, Mr Jim Wal-lace, the party's Defence spokes-man, said that the amendment would foreclose a possible and important option and render pointless at an early stage the initiative with Europe started by Mr Steel and Dr. Owen.

Unions hail Hopes rise of new calm in coalfields

BY CHARLES LEADBEATER, LABOUR STAFF

TRE FIRST meeting between National Union of Mineworkers and MR Andrew Knight, chief executive of the Daily Telegraph newspaper, yesterday described the compre-hensive agreement reached with Sir Robert Haslam, the chairman of British Coal, ended yesterday with both sides holding out the hope of a NUM, said last week he would more conciliatory approach to in- press for a national ballot on indus-dustrial relations in the coal industrial action if talks with the board dustrial relations in the coal indus-

production unions on the Tele-graph's London Docklands plant as a benchmark for the rest of Fleet After a three hour meeting Mr
Arthur Scargill, union president, said he hoped the union would have a "continuing dialogue" with the board of British Coal. He said Sir to award many miners last some to award many miners will next week consideration to award many miners will next we signing ceremony in the new £75m printing plant in West Ferry. This is the first negotiated agreement and has features I sus-pect which other publishers did not expect to get in theirs," Mr Knight said. to the union to talk about issues in

Sir Robert said: There was a 10 months worth of the pay rise to good, level of discussion, it was make up for the £80m of pension frank and calm. There were no histrionies, and some meeting of sed through the 1964-85 strike.

Bir Robert admitted that this way

was signed on behalf of Sogat 82 by Mr Bill Miles, general officer of the union, Mr Miles said the agreement was just a step towards making the Telegraph viable and showed a the full executive of the NUM since

Mr Scargill said that although it rights.

British Coal had agreed to consider some of the points the union raised, the meeting had revealed basic differences between the constant of the decision to withhold forces.

The union's executive will mee tomorrow to decide their response to today's talks. Mr Jack Taylor, the leader of the Yorkshire area of the did not end satisfactorily. Durham's

sion to award many miners last year's pay increase without fully backdating it to November, 1985. British Coal says it has to withold

The possibility that this meeting, of making up the shortfell in the the first between British Coal and pension fund contained "imperfections and injustices." However he May, 1984, could open the way to insisted that withholding part of the pay rise was the only solution because in the industry still hangs in the industry still hangs in the limit of the ball that th

ferences between union and man-part of the pay rise was causing mounting unrest in the coafields.

Morgan Stanley applies to join stock exchange

MORGAN STANLEY International, forms on October 27. Morgan Stanthe UK-based arm of the New York ley International hopes that its membership can be granted by the end of November, however.

Stock Exchange.

Mr Archibald Cox, who heads already agreed to sign the deal which was largely reached at plant level between management and lo-Stock Exchange. Mr Archibald Cox, who heads

The new plant, which will be operated by 670 people compared with 1,680 at the old presses in Fleet Morgan Stanley's London office, said the move was being made through a newly formed subsidiary to be called Morgan Stanley Op-tions Limited. "You can infer from Street, will start producing newspapers this Sunday and be fully opera-The agreement is seen as having a number of landmark features. They include: manning levels based on technical requirements; plant that that we will be interested in op-tions," Mr Cox said, but he declined to give further details of the company's plans. bargaining in a joint standing com-

Mr Cox acknowledged that the application had come too late for the company to join the exchange in time for the Big Bang market re-

tive in the UK in trading in securi-ties such as American depositary receipts (ADRs)

Mr Cox said membership of the exchange would be a "logical com-plement" to membership of the New York and Tokyo exchanges and planned expansion in Switzerland and Germany. and Germany.

We believe that membership will help us in serving the investment needs of our clients and customers around the world," he added.

GM fixes price for truck plant viability

ABOUT £700 must be cut from the production cost of each Bedford van where they are made is to be inter nationally competitive, employees have been warned by the parent group, General Motors of the US, Kenneth Gooding writes.

needed at the van plant and the 3,500 employees have been told that this is only one of the measures sary to reduce the averag cost of producing each vehicle by £500 almost immediately. The rest of the cuts must be found "in weeks

rather than months," GM told them.
The large press shop at Luton
north of London, is seriously underutilised, GM said. In June the group
called for 340 voluntary redundar-The company has spent £50m in the past few years to reorganise the Bedford van plant so that it can pro-

Midi, launched early last year and based on an Isuzu design, have not in the UK or Italy, a key export market. There has been some

D BRITISH TELECOM'S share of the large private exchange market is understood to be falling. BT entered the market only three years ago, but in the year to March it held a 60 per cent market share, according to one estimate.

Sir George Jefferson, BT chair-man, is believed to have told a union delegation representing tele communication equipment workers communication equipment workers that BT is now losing merket share

Unions expressed concern about what it claimed was the increasing tendency for BT to buy equipment from abroad while some important markets still remained closed to UK

O UNIVERSITIES in Britain we safe from closure, Mr Kenneth Bak-er, Education Secretary, said. "I will not even consider any such propos-al," be told the Committee of Vice Chancellors and Principals at a meeting in Edinburgh.

"I want to see a higher proportion of our young people and more older students going into higher educa-tion of all kinds. The alternative of contraction in the system and closure of institutions - simply does not square with the country's need for highly qualified manpower."

ily as a proportion of the average British household's budget and has now reached 15 per cent, according to figures released yesterday by the

Department of Transport. The department's annual review of transport statistics shows that in the first nine months of last year the average household spent nearly £21 a week on motoring, more than five times as much as on other forms of transport combined.

I DRUG companies face action by a future Labour government that will curb their profits, Mr Michael Meacher, the party's chief health spokesman, said.

He claimed that the Government was allowing the drugs industry to increase further its "substantial profits" and that Mr Norman Fowler, Social Services Secretary, had abandoned any attempt to curb ex-ploitation of the National Health Service by the pharmaceutical com-

CI NABISCO breakfast cereals factory at Welwyn Garden City, north of London, will receive a 6.55 per cent wage rise this year under the 14th long-term pay deal negotiated by the deal response to the contract of the contract

Marks and Spencer reshapes at the top

BY CHRISTOPHER PARKES

MARKS AND SPENCER, Brit-MARKS AND SPENCER, Bra-ain's leading retailer, has rear-ranged its top management team and installed a US-style chief op-erating officer to handle the day-to-day running of the company. The newly created post has been filled by Mr Richard Greenbury. aged 50, who has been joint managing director since 1978.

mittee; binding arbitration; no-dis-putes undertaking; all provisions in-cluded in legally binding individual

contracts of employment.

Lord Rayner, who remains as chairman and chief executive, will in inture concentrate mainly on forward planning. Mr William Howard, 60, will retain his position as deputy chairman until he retires at the end of March next year. However, he loses his other title of joint managing director and the operating responsibilities which go with it.

Mr Greenbury, who joined the company in 1953 as a junior management trainer, was an arresponding trainer.

of the board in 1972. The company said yesterday that the changes were part of the evelution of the business.

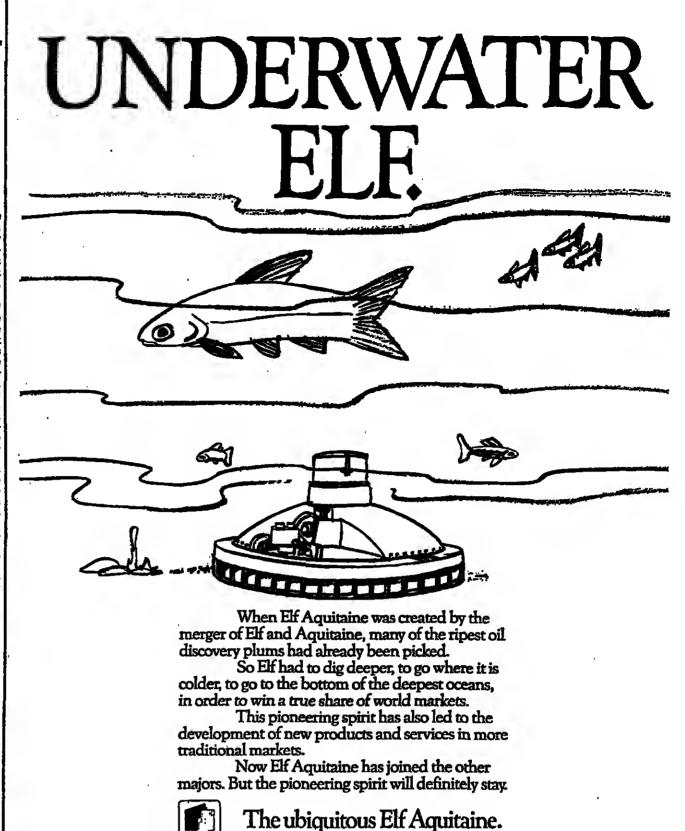
the two years since Lord Sleff stepped down as chairman, un-der the twin influences of Lord Rayner's aggression and the in-creasing challenge to variety and

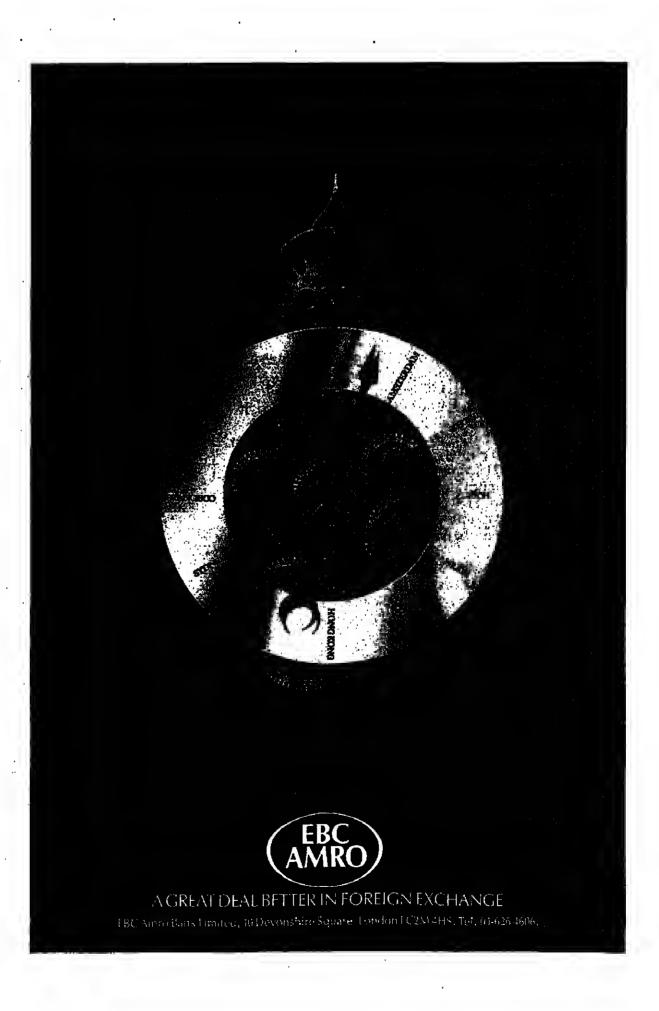
nave lost its way in 1984, has de-veloped and expanded rapidly since. It extended its product range, linked with Tesco, the su-permarket chain, to exploit out-of-town shopping centres and

nunched its own credit card.
More recently it has revamped namy of its stores, dressing them a counter the attractions of the right new breed of specialist empetitors. It has also extended

vertising agency for its first ven-ture into heavy campaign adver-tising. Lord Rayner said inst year that he considered his job was







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Troubled food body still seeks a new chairman

BY ANDREW GOWERS

A NEW governing council took over The failure to find a new chair- bodies failed to come up with adeyesterday at Food from Britain, the troubled marketing body – but the Government, which has staked a good deal of prestige on making are still desperately searching for a re-lemmah for the overniestics.

Into make to mind a new chair and is a deep embarrassment to the Government, which has staked a good deal of prestige on making a good deal of prestige of the good deal of prestige of the good deal of prestige of the good deal of prestige of th annch for the organisation.

The council contains prominent names from the food and farming industries, including Sir Derrick Holden-Brown, chairman of Allied-Lyons, Sir Steve Roberts, chairman of the Milk Marketing Board, and Mr David Naish, deputy president of the National Farmers' Union. It faces the difficult task of reinvigorating an organisation suffering from poor morale, uncertainty about its role and inadequate form. about its role and inadequate fund-

Food from Britain was founded

by Mr Peter Walker, then Minister of Agriculture, three years ago to improve the marketing of British food at home and abroad. But it has been dogged by persistent in fight-ing between food manufacturers

Earlier this year, Food from Britto its ain almost collapsed when industry FFB.

tion. It was sub promise of funds from cereal grow-ers and is now supposed to reshape itself under the influence of the

The farming industry was also supposed to nominate a new chairman to replace Mr Nicholas Saphir, chairman of Hunter Saphir, the fresh produce distribution compa-ny. Mr Saphir has chaired the orga-nisation from the start but has expressed a desire to leave. However the NFU has failed so far to find neone who would be accept

Nissan to replace best-selling models

age of 7 per cent partly because of the increased value of the Japanese yen compared with the pound, part-

NISSAN UK, the independent importer of Japanese cars, today replaces its best-selling Sunny and Cherry models with one new range gust.

Sunny ranges were excluded from the Nissan UK's 3 per cent average to Nissan.

With combined registrations to talling 52,000 last year, Cherry (1997).

Prices start at £5,500 and go up to about £8,000 compared with £5,000 to just over £7,000 for the old mod-

talling 52,000 last year, Cherry (23,300) and Sunny (28,700) account-ed for about half Nissan's car sales

in the UK. The importer, whose to-tal volume is restricted to about 105,000 cars a year by the rethe new range was launched in striction on shipments of Japa up-market from the old models and May in Japan, where it is called the cars to Britain, expects to sell also because the old Cherry and Pulsar, a name owned by Ford in 40,000 new Sunnys next year. striction on shipments of Japanese cars to Britain, expects to sell about

Sumitomo puts profit in sight at UK's Dunlop

THE TAKEOVER of Dunlop's European tyre-making plants by Sumito-mo Rubber Industries of Japan 21 into Washington three Japanese admonths ago has led to productivity visers – one each for technical, progains of up to 22 per cent through a combination of investment, jobhedding and better working prac-

The loss-making UK plants are now likely to break even this year and make profits in 1987. The company's West German factories are Ellm next year, followed by an an-

This was revealed yesternay when SP Tyres UK, the company formed by Sumitomo out of the Dunlop acquisitions, launched a productivity is measured in the consists of the average number of minutes taken to make a tyre, multiplication of tyres. Dunlop acquisitions, launched a new range of tyres for family and fleet cars. The tyres are being made at Washington, Tyne and Wear, north-east England, where productivity levels are now the highest in Europe and second only to Japan's. The new range, which is called the Dunlop SP6 series, is the first new residue that the talescene and new product since the takeover, and the company is claiming for its sub-stantial technological advances in stantial technological advances in cornering stability, wet grip, steering sensitivity and noise reduction. In spite of the higher value this is said to represent, the productivity gains are enabling the new tyres to be offered at only marginally higher prices than the Dunlop products they will supersede.

France are showing good prog-ress."

nual capital allocation of about £10m. Key production investment was in machinery that is helping to

visers - one each for technical, pro-

Dunlop, Birmingham, was £16a

last year, £9m this year and will be

count of the type and mix of tyres involved so that figures can be compared fairly.

Mr Ian Sloss, director of manu-

facture and personnel, said that waste had been reduced by the joint efforts of the workforce, as well as better machinery. The figure had fallen from 15 per cent in 1984 to 5 per cent now.

Communications had been im-

proved as a result of monthly briefing groups, and quality circles had one per employee per year although there was still a long way to go to The line and middle management of the company is almost entirely eatch up with Japan, where we have the same as when Sumitomo took the same as when Sumitomo to same as when Sumitomo to same as when Sumitomo to same as the same as when summand took over. Mr Mike Wilson, the Washington production manager, said yesterday: "We have been given the investment the company needed and curred before the takeover.

Britons taxed more heavily than before

By Philip Stephens

THE BRITISH are more heavily taxed now than they were six years ago, despite the Government's reto an analysis by the Paris-based Organisation for Economic Co-oper-ation and Development. The OECD study shows that the

share of national income taken by the Government in taxation rose from 35.33 per cent in 1980 to 38.58 per cent in 1985. That places Britain among the most heavily taxed of the leading industrial nations.

Of the group of five higgest economies only France, with a 45.55 per cent share of income taken by tax. had a higher figure than Britain during the last two years while those for West Germany (37.97), the US (28.99 per cent) and Japan (27.38

US (28.19 per cent) and Japan (27.38 per cent) were lower.

The OECD analysis covers all taxes, direct and indirect, and other compulsory contributions such as national insurance payments. It shows that, relative to most other industrial countries, the proportion of total taxation in Britain accounted for hydrogeneous and recitit taxation. ed for by income and profits taxes is below average.

However, property taxes – mosti local rates – in Britain represent

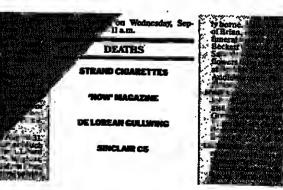


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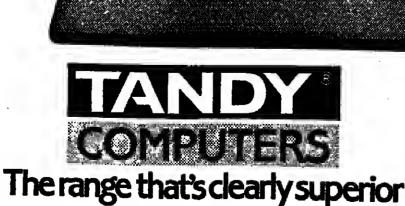
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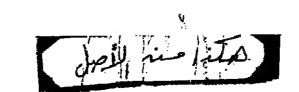
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UK NEWS

Liberals 'could never be Companies accused in pact with Thatcher'

THE LIBERALS could never make a pact with Mrs Margaret Thatcher in the event of a hung parliament after the next general election, Mr David Alton, the Liberal chief whip in the Commons, told the assembly.

"A precondition for any co-operation between Liberals and Conservatives would be that Mrs Thatcher despatches herself to Dulwich as soon as the election is over, he waid. Mrs Thatcher has bought a house in the London suburb. Mr Alton said Mrs Thatcher

was later cautions about Mr Alton's choice of words, but said he agreed with him. "I don't think I would have put it in that brash and undi-plomatic way, but I don't think she would stay around," he said in a

Rebuke for South African ambassador

By Ivor Owen MR DAVID STEEL, the Liberal leader, strongly rebuked Mr Denis Worrall, the South African ambas-

sador to Britain, for disclosing his previously unamnounced plan for a four-day visit to the republic. Commenting on the fact that the ambassador had publicly suggested which places should be included in

his itinerary without any prior con-sultation, Mr Steel said: To put it mildly, this is undiplomatic behaviour from a diplomat." His rebuke reflected the anger felt by delegates to the assembly

that the ambassador had com-pounded the offence committed at the SDP's conference in Harrogate, Yorkshire, last week when he issu-ed a circular letter, outlining the Pretoria Government's rejection of the views expressed by those call-

ing for an early end to apartheid.

Mr Steel, who hopes to visit the
so-called Front-line states in a 10day mission to southern Africa, has accepted an invitation from the principal of Cape Town University to deliver a lecture there on October

He will also meet Archbishop Desmond Tutu and intends to seize the opportunity to gather the views of all strands of South African opin-ion during the course of a four day

He intends to visit Botswana, Zimbabwe and Zambia in the course of his return journey

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happen after the general election, ney, of Hertfordshire North, was Mr Alton said the party should not drop its demands for electoral reform. Proportional repre was vital for the future of Britain. Mr Alton received a standing ovation at the end of his speech, in

Liberal Party assembly

could never change - "it would be easier for a lion to become a vegetarian."

which he also poured scorn on suggestions that the Liberals and SDP might go separate ways after the election. We have come through far too much. Our alliance is strong and true. It has been tempered in ne, and our future is inextri-

cably bound together."
Mr Alton's insistence that elector-

applauded when he said it had been THE NATIONAL Consumer Country a great mistake for last week's cil yesterday called for safeguards SDP assembly in Harrogate to decide not to make electoral reform a sticking point in negotiations. There must be "no pacts, no deals, no support for a government unless

The assembly overwhelmingly backed a motion urging the post election parliamentary party and its SDP colleagues to negotiate with the other parties through a team comprising the two leaders and rep-resentatives from the parlia-

It called for the party to be consulted through its national officers for the negotiations to be reported to MPs for approval and decision al reform was a prerequisite for a pact was echoed by several speakers from the floor. Mr George Bin-

Government housing record condemned

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

THE Government's record on housing was roundly condemned by the assembly, which called for a campaign to press for improved housing conditions and for increases in the number of homes to rest and buy.

Delegates were told that the International Year of Shelter for the Homeless provided an unparalleled opportunity for a rethink of attiudes and policies in the field of

Mr Mark Hayes, the prospective parliamentary candidate for Saf-fron Walden, in south-east England said that under the Conservatives the plight of the homeless had

rown much worse. The number of grown much worse. The number of homeless had doubled each year since 1978. Only half those applying in England during 1985 to be treat-ed as homeless had been accepted. Mr Hayes claimed that an ever-increasing number of young people were now living on the streets and the crisis was deepening in the face of the "pathetic remnants" of a pub-

lic house-building programme.
The Government, he said, had responded by changes in the benefit regulations which forced people to move from town to town. He said that substantial extra investment in new housing to rent was urgently

Fund-raising approved

CONSTITUENCY Liberal parties will face large increases in their contributions to central funds, the assembly decided by 283 votes to

Mr Andrew Willis, the party's secretary general, said the party required a 1987 income of £700,000 of which it had to raise £405,000 from constituencies. This represents roughly a 50 per cent rise on the ex-pected constituency income for 1988 and is double the 1985 figure. Proposing the motion, Mr Chris-Fox, chairman of the party's fi-nance and administration board,

told delegates: "We have put togeth er the campaigning party you have asked for in resolution after resolu-tion at party conferences." He said the party would have to raise conably more from constitu to keep up its level of campaigning. Mr Ian Stewart, of Worthing, said the proposal amounted to "a tax on non-existent members." He protest ed that party beadquarters had be-come greedy. He and other speakers from the floor argued that the money should be retained in the

NOTICE OF REDEMPTION

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The redemption of the Debentures is effected pursuant to the twelfth paragraph of the form of Debenture contained in the Indenture.

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Interest on the Debentures will cease to accrue on and after the Redemption Date.

Interest on the Debentures will cease to accrue on and after the Redemption Date.

The holder of any Debenture has the right to convert his Debenture into common shares of Northern Telecom Limited at the conversion price of U.S. \$29,6666 per share at any time up to the close of business on October 10, 1986 upon surrender of the Debenture together with Coupons Nos. 4 to 15 attached to any one of the paying agents listed above, accompanied by written notice, substantially in the form of the Conversion Notice appearing on the reverse of the form of Debenture, executed by the holder, that such holder elects to convert such Debenture; if the common shares issuable upon conversion of said Debenture are to be registered in the name of a person other than the holder of the Debenture, such holder shall pay all transfer taxes payable with respect thereto. No payment or adjustment will be made on account of interest accrued on any Debenture delivered for conversion or on account of any dividends on the common shares issued or delivered upon such conversion. No fractional common share will be issued upon conversion of any Debenture and if the conversion results in a fraction, an amount equal to such fraction multiplied by U.S. \$29,6666 shall be paid in cash to the holder of such Debenture.

Alternatives Available to Holders of Debentures

1. Conversion of the Debentures into Common Shares by October 10, 1986: Each \$1,000 principal amount of Debentures is convertible at any time prior to the close of business on October 10, 1986 at the conversion price of U.S. \$29.6666 into 33 common shares of Northern Telecom Limited. The last reported sale price of the common shares on the New York Stock Exchange on September 17, 1986, was U.S. \$28.25 per share. Based on such last reported sale price, the market value of common shares (including cash paid in lieu of fractional shares) which holders would obtain upon conversion of \$1,000 principal amount of Debentures would be U.S. \$953.25.

Only if the price of the common shares is equal to or greater than U.S. \$31.375 will the holders of Debentures, upon conversion, receive common shares (including each paid in lieu of fractional shares) having a market value greater than the amount of cash which they would otherwise be entitled to

2. Redemption of the Debentures on October 14, 1986: Debentures not converted by October 10. 1986 will be redeemed at a price of U.S. \$1,053.36 per \$1,000 principal amount of Debentures, being the Redemption Price plus accrued interest to the Redemption Date.

3. Sale of Debentures through ordinary brokerage transactions: Debentures may be sold through a broker to others. Holders of Debentures should consult their own brokers as to this procedure.

Northern Telecom International Finance B.V.

September 24, 1986

of giving schools excess propaganda

BY DAVID CHURCHILL

cil yesterday called for safeguards against excessive commercial prop-aganda in Britain's schools. It believes that too many companies are taking advantage of schools' lack of educational materials to provide them with teaching aids which are naccurate or blased.

The council, in a report published yesterday, gives examples of excess propaganda by companies. Kel-loggs, for example, quoted its brand name some 96 times in one educational booklet. This included using the Kelloggs name some 18 times

on one page alone.
Lever Brothers was also crititied: "How to tell the difference betied: 'How to tell the amerence be-tween a good quality dishwashing liquid (like Smilght Lemon Liquid) and a cheaper dishwashing liquid.' Sunlight is a product produced by

A leaflet from the Butter Information Council is also criticised for its attack on margarine.

Mr Michael Montague, chairman of the council, said yesterday: We are not calling for an all-out ban on commercially sponsored teaching materials." But, he added, he was terial which is really just advertising designed to produce brand loy-alty among children in the class-

Mr Montague said that com-merce and industry are entitled to put their point of view and to try to sell their products - but not in the

The council is suggesting a mun-

Mr Kenneth Baker, Education Secretary, yesterday gave a guarantee that no UK university would have to close through lack of cash - but declared that priof cash - but we make then private mency must play a higger part in funding higher education.

Mr Baker said students and employers should have more say in how public funds were shared among universities, and he float-

practice agreed by teachers and industry to regulate the producti end distribution of commercia

The council also suggests a national list of what educational mate rial is available and how much propaganda each teaching aid con-

The report also suggests that the Office of Fair Trading could be giv-en extra funds and responsibilities to prepare and fund con ional material.

Queen Anne's Gate, London SWI

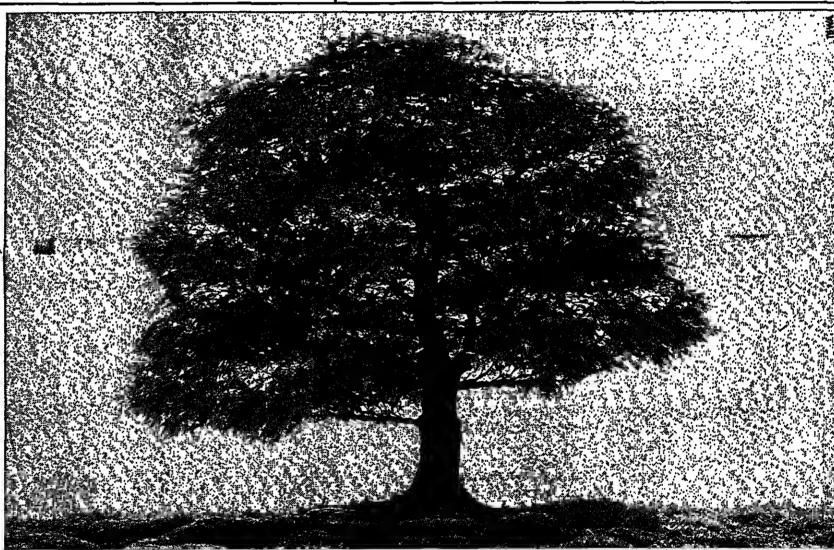
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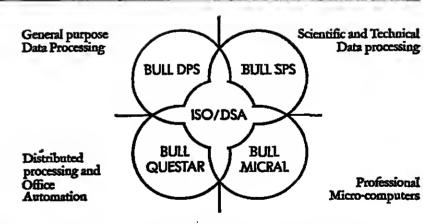




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Services is assuming responsiand Switzerland to form Hill Samoel Investment Services Group (Europe). Mr Tony Pope, chairman of Hill Samuel & Co (Jersey), and Mr Fritz Josi, chairman of Hill Samuel & Co (Jersey), and Mr Fritz Josi, chiaf executive of Bank Voo Ernst & Cie AG, have been appointed foint managing directors of Hill Samuel Investment Services of international marketing.

Josi will be responsible for the group's offshore

Mr Elwyn Elliedge, deputy senior partner of ERNST & and Far East. Mr Martin Cooper has succeeded Mr Peter Godfrey as the firm's senior partner. Mr Eilledge content, Hill Samuel Investment partner. Mr Eilledge content, Hill Samuel Investment senior partner. Mr Eilledge content, Hill Samuel Investment senior partner in London in 1983 and deputy senior partner a year ago.

HILL SAMUEL INVESTMENT Services GROUP has bronght together its companies in Jersey and joins the board of division.

Worldwide except in the Middle and Far East. Mr Martin Cooper has become managing director. At METIER MANAGEMENT for 11 years, before becoming deputy manaing director. He succeeds Dr Gordoa Hargreaves, officer. After the company's trains responsibility for unit trust administration and is being poration in 1985, Mr Rolph was appointed president and chief executive officer of Metier USA.

Mr Eoy Rutherford has basen appointed in 1985, Mr Rolph was appointed president and chief executive officer of Metier USA.

Mr Eoy Rutherford has basen appointed chief operating officer. After the company's trains responsibility for unit trust administration and is being poration in 1985, Mr Rolph was appointed president and chief executive officer of Metier USA.

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Mr A. D. (Tony

tive of its aviation and acrospace division.

CAPS (COMBINED ACTUA-RIAL PERFORMANCE SER-VICES) has appointed Mr John Clamp its chief executive. Ha became a director of CAPS in 1985 and has been a member of the three-man executive for the

ture, JOHN KING & CO (LEEDS) has made changes to its main board. The board is led by the managing director mr Sam Rodgers, with Mr Peter Bainbridge as financial director, and Mr Derek Smart as works director.

pany as development surveyor in 1985, has responsibility for the investment portfolio and for the acquisition and development of commercial premises—particu-larly for the motor trade— throughout the UK.

Mr Neil McClure has been appointed group finance director of FKB GROUP from October 1. Mr McClure joins FKB from Saatchi & Saatchi Co, where he was responsible for UK and international regional corporate finance.

STURGE HOLDINGS has appointed Mr Malcolm Butler to the newly created position of group director of management information systems. Since 1981 he has been group information systems manager with Lex Service

At THE NATIONAL HOME LOANS CORPORATION Mr Ken Lewis, head of business develop-ment, has been eppointed to the board as operations director. Mr Tony Moir, bead of finance and

treasury, and Mr Terry Cornisk, head of underwriting and mort-gage administration have been appointed divisional directors.

THAMES CASE has made two appointments: Mr David Thomas is appointed chairman and managing director. Mr Thomas has successively held the positions of general manager of Thames Case operations at Purificet; sales and marketing director and latterly managing director. Mr Jack McDonald is appointed commercial director. Previously, Mr McDonald held the positions of regional accounant at Thames Case, Cumbernauld, Scotland and then commercial manager at head office, Purficet.

COUNTY NATWEST CAPITAL MARKETS has appointed Mr Colin B. H. Paul as director responsible for documentation and marketing services and Mr Rebert Lyddon as manager for Northern Europe. Mr Paul was with Swiss Bank Corporation and Mr Lyddon with Manufacturers Hanover.

Pressure still on pump makers in tougher markets

world league table, are chasing the same markets.

so making a big play for offshore platform work around India – a big

potential export market for the UK

Brothers, which makes the bigger ranges of pumps from a factory built only five years ago, says the domestic market next year will be

very difficult and overseas no bet

keep an extra careful watch on their operations, but few, except some of the very smallest, are likely

of applications and industries.

Companies such as SPP are also

emphasising their expertise in put

"fluid systems" packages including engines and control systems. Most

are now manufactured under li-

Europe.

The other reason for believing

not alter significantly in the near future is that even during the 1980s

The Japanese, the third-biggest producers who have traditions been big exporters of the small

THE UK's pump manufacturers are ing the UK for fourth place in the having a rough time of it this year, and the outlook for 1987 looks just as tough. "It's a fight for survival," says Mr Tim Glanfield, chief execu-tive of the British Pump Manufac-

It is a fight which people in the win. Although the British pump industry is now less than half the size of West Germany's, the world's second-biggest producer after the US, the UK is still fourth in the world league table with sales last year of

Trading conditions are not as severe as the dark days of recession in the early 1980s, but the purchase this month of Henry Sykes by SPP reflects some of the stresses in the industry.

firmed by shareholders has a positive side. It fits in neatly with Reading-based SPP's philosophy of niche man, says that even niche manufacmanufacturing. The company will get its hands on Sykes specialist de-watering pumps as well as Sykes' lucrative pump hiring business which accounts for 40 per cent of

However, the purchase is also engines and control systems. Most aimed at rationalisation. SPP is of SPP's smaller basic line pumps shutting its Reading factory, west of London, and will concentrate much of its production at Sykes' Coleford plant in Gloucestershire, workforce of 1,350.

One reason for that rationalisa-

tion is that the Coleford site is now operating at only 45 per cent of ca-pacity on one shift, and SPP Pumps, SPP's main operating arm in the UK, is predicting that its workload next year will be only 70 per cent of what it was in 1985. British pump makers suffered more than their European competi-

to 17,000 now. The industry halted the decline in 1964 and had a rela-tively good year in 1985, but this year some of the markets have tak-

Pumps have a vast range of appli-cations for moving liquids, from se-wage and water to oil. They are used in boiler feeds in power gen-eration plant and in filling cakes and other foodstuffs. Many of the pump makers are specialists.

The industry this year has been hit by falling demand in a number of sectors. The steep downturn in North Sea oil activity and the drying up of big capital projects, expecially in the Middle East, has hit most European pump makers, but in the UK there have been few have domestic infractructure are domestic infractructure are domestic infractructure are domestic. Mather and Platt. Mr Neil Potts, Mather and Platt. Mr Neil Potts large domestic infrastructure pro-jects to fall back on.

jects to fall back on.

UK companies have become more export orientated. Mather and Platt, part of the Australian Wormald group, exports 70 per cent of output, for example, and Weir Pumps in the Glasgow-based Weir group 50 per cent. But margins on exports are being squeezed tightly.

The West German industry, which includes Klein, Schanzlin and Becker (KSB), by far Europe's biggest pump maker with a broad line of products, and the French, whose pump makers are challeng-

business in droves as manufacturing plants shut down, almost no There were also few changes of

ownership. The most important of tors during the recession with em-ployment falling from 28,000 in 1977 of the US of Worthington, the North American pump manufactures, which as Worthington Simpson in the UK had been half-owned by Weir.

> ment buy-out in 1983 from parent Booker McConnell, and Godiva, SPP's fire pump arm, purchased Trinity Hathaway. The pump industry has been flush with rumours that Wormald would like to sell Mather and Platt. Mr Neil Potts,

The British pump industry, which includes 37 subsidiaries of US com-



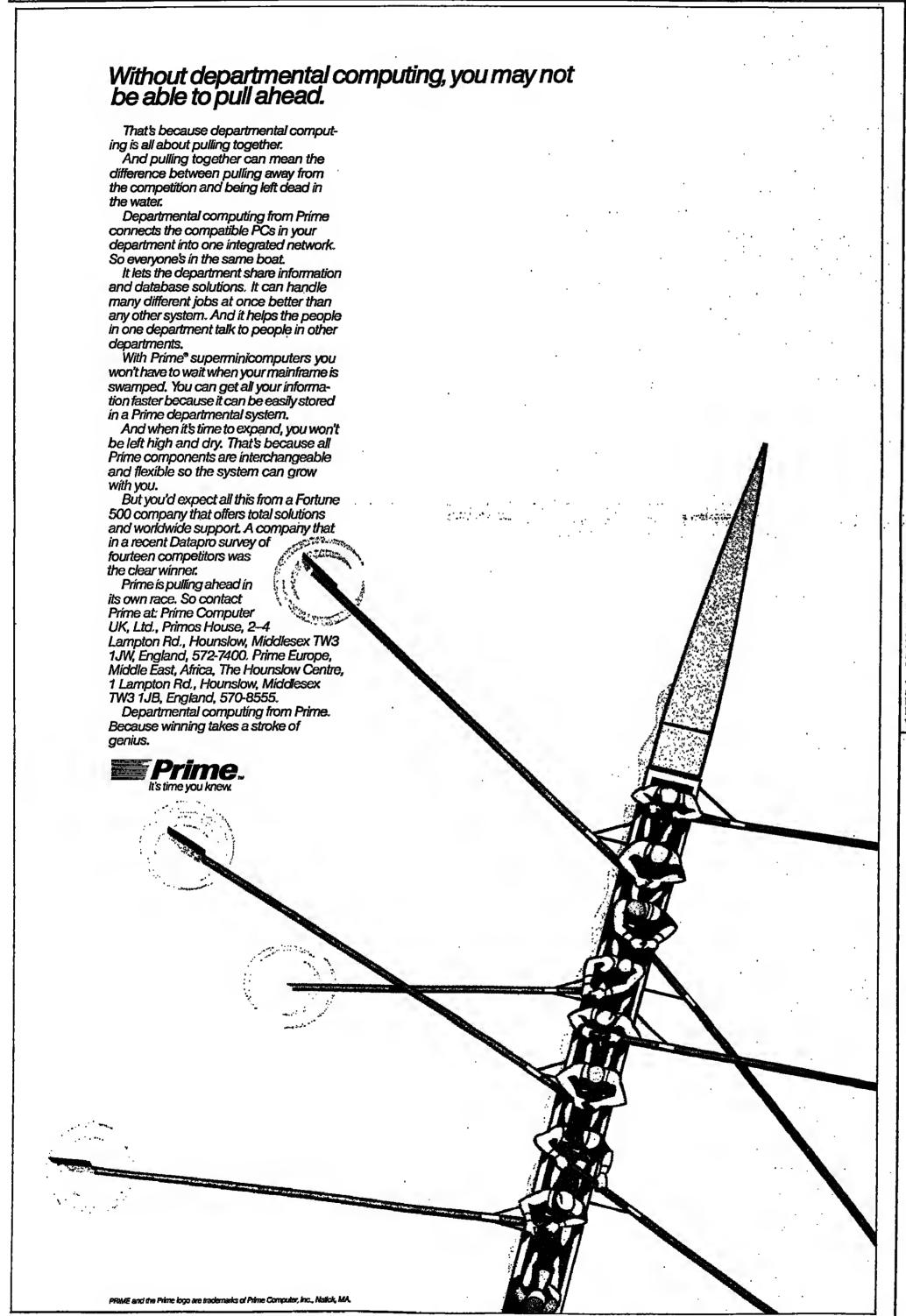
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UK NEWS

en Guinness chief it accused of contempt by MP

tempt of Parliament over his lobby-ing of an MP during Guinness's 12.5bn takeover of Distillers, the in-

nard Weatherill, the Speaker (chairman) of the House of Commons, claiming that Mr Saunders had asup a group Guinness-Distillers headquarters if it won control of

Mr Bruce says in his letter: 'I feel I have been wilfully misled and be-lieve that Mr Saunders is effective ly in contempt of Parliament.

Guinness dismissed the allegation yesterday, saying it had repeatact up a group head office in Scot-land. The pledge was contained in a circular to shareholders, along with a revised board structure, which was overwhelmingly approved at an extraordinary general meeting

Mr Broce takes the view that Guinness has watered down its original promise, a view shared by mess critics in Scotland. Yesterday, Mr Bruce said that Mr Saunders had visited him twice in his office and telephoned several times, expressing his assurance in strong terms. He says in the letter: "In the light of this information given to me in good faith, I modified

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RODL

ME ERNEST SAUNDERS, chairman and chief executive of Guinness, the UK brewing and leisure group, has been accused of contempt of Parliament over his lobbywould have preferred it.

12.5bn takeover of Distillers, the in-dernational drinks business.

Mr Makolm Bruce, Liberal MP other Scottish MPs in similar vein and presumably to similar effect. It in Gordon, secured an adjournment debate on the future of the whisky industry on February 3, at the height of the takeover hattle in which Argyll, the supermarkets group, was a rival bidder.

Mr. Bruce has written to Mr. Bermand Wasthand the Sanahar (chair. sufficiently concerned about this to try and head it off."

If the Speaker considers that case has been made, he can refer it to the house. However, previous complaints have not made progress by simply showing that an MP was influenced to change his or her mind - it is usually necessary to show that some form of pressure or ucement was used.

Once the Speaker puts a com-plaint before the house, MPs can vote to refer it to the committee of privileges. If the committee finds an individual in contempt, he or she can be summoned to appear before the house or issued with a rebuke. Guinness is still proceeding with a damages writ for injurious false-hood and defamation against Arhood and defamation against Argyll, Mr James Gulliver, its chairman, its financial advisers Samuel Montagu, Noble Grossart and Chartschouse Japhet, its advertising agency, Seatchi & Saatchi, and its public relations advisers, Broad Street Associates. The action construction of the second Associates advisers. tres on several Argyli advertise-ments published during the bid bat-

Kinnock challenged over 'swing to right' of party's policies

A STRONG attack on Mr Nell Kinnock, the Labour Party leader, for moving to the right on party policy is made by Mr Eric Heller, the former party chair-man, in a book to be published

hour Party prepares for its annual conference in Blackpool next week. Mr Heffer, a left-winger who is MP for Walton (Liverpool) and a member of the party's na-tional executive, stalled off the platform at last year's conference when Mr Kitmock made his speech attacking the Liverpool

In his book, Labour's Future, he claims that since the last pur-

BA helicopter unit sold to Maxwell

By Michael Donne

helicopter subsidiary, British Air-ways Helicopters, for £13.5m cash, to a company jointly owned by Mr Robert Maxwell and his family and the Scottish Daily Record and Sun-day Mail, a subsidiary of Mr Max-well's Mirror Group Newspapers. The purchasing company is SDR. Relicopters. Agreement in principle for the sale was announced in May.

The Secretary for Transport, Mr John Moore, has approved the deal. The company is to he called Brit-ish International Helicopters and

provide certain engineering and other services to the compa The new owners have given 20 per cent of the shares to a trust set up for the benefit of the staff and management of the company.

"greenly unfair and cruel speech" an atmosphere of witch-hunting has developed in the party.

The truth of the matter is that

the right of the party had got the bit between its teeth and whether it is liked or not the left will be witch-hunted in ever-widening circles. Nell Kinnock's speech gave a green light to all those on the right wing who wished to carry out a left-wing purge."

My Heffer complains of i

move away from the concept of renationalisation and Mr Kinnock's "dramatic shift" on public owners, mining party pledges.

is the transformation of the party into another SDP (Social Democrafic Party), a party which, al-though retaining a written so-cialist constitution, finds it is in-

SDP had stayed behind in the Labour Party and were now in powerful positions in the shadow Cahinet. They were constantly making it clear that the they did

they make real the possibility that the Labour Party could move towards SDP Mark II type

Bakers meet half-baked ideas on bread values

sumption table. The sumption is 99 loaves per person per year, compared with 178 loaves in it, according to the findings of a nationwide survey based on Gallup research and endorsed by the Health.

A report yesternia. A report yesterday from the Flour Advisory Bureau makes clear, however, that bread of all

types is one of the most useful sources of energy, protein, dietary fibre, vitamins and minerals.

Nine out of 10 Britons eat bread every day, and more than half of

BAKERS are being thwarted in them describe it as a favourite food. their bid to supply Britons with As a nation, however, Britain is bot-their daily bread by false ideas tom of the European bread con-

Flour Power - The Bread and Flour Report 1986, published by the Flour Advisory Bureau. Copies of an information leaflet on the main findings available from Paragon Communications, 142 Wardour Street, London WIV 3AU.

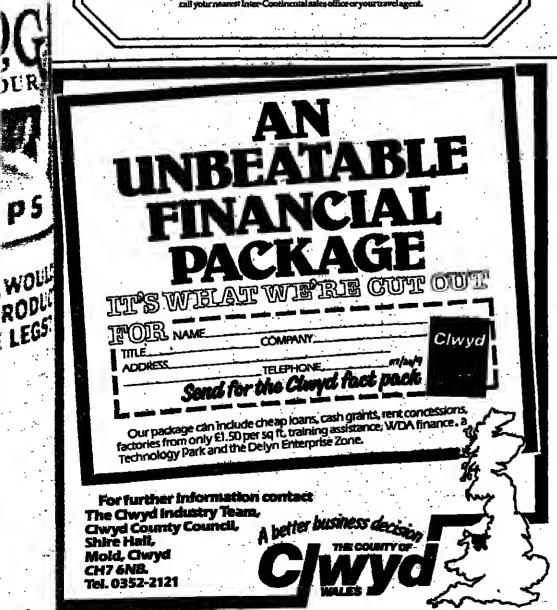
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Kafka/Royal Court

Michael Coveney

perform a cocktail party sketch in which every other word was "Kafkaesque". His target was pretantious critical shorthand allied to the incongruity of Kafka's distended nihilism as a subject for spiking on sausage sticks. Alan Bennett takes tha approach much further in his hrilliant new play at the Royal Court, inserting Kafka and his champion and biographer, Max Brod, into the suburban lounge of an insurance man who is compiling an article on (as he is variously described) the Czech Checkhov, or the Prague

The piay opens, a few years before Kafka's death, with the tubercular writer delivering his famous incendiary injunction to Brod. Brod's reasons for not burning all the stories, noveis and diaries, were given in a post-script to *The Triol*, aud Bennett interprets Brod's decision as more than a literary rescue act. Brod is hitching his wegon to e star, entering the realm of possessive righteousness that afflicts so many biographers and specialists. None the less, the truth is that, without Brod, Kafka would be an unpublished nobody.

The proiogue toys with these vanities: Brod predicting the Nazis' bonfire of Brecht, Mann, Gide, Proust, Joyce . . . not Kafka, perhaps because he was not worth burning? No, because he was already burnt by Brod. The writer shivers and curls up, complaining to Brod that be dreams the foture. The future is an insurance clerk adding another tome to en industry that already includes an American thesis on Kafka's small penis as the root of his sexual insecurity and father-

Beunett's eponymous member also raises various points about the process of critical blo-graphy and literary criticism. The insurance man's wife Linda knows that Kafka sbared his shortcoming with Scott Fitzshortcoming with Scott Fitz-balance between the hard-gerald, that W. H. Auden never headed and the surreal. The

Barry Humphries used to wore underpants, that E. M. grey Prague-ness of Kafka Forster's "Mr Right" was an seeps into the lounge where he Egyptian transdriver. "The bits is first manifest in the shape of in between" are incomprehen a tortoise (symbolically, Brod, sible, but she gropes towards them in a series of touching encounters with Kafka on the reptile).

> Sydney, ticking off coincidences sydney, ticking on coincidences and anecdotes, is trapped by the iure of fame and the possibility of re-writing the father/son relationship. Act One closes with Kafka's shopkeeper father, in the coarse and threstening shape of Jim Broadbent ("I kept Prague in suspenders"), arriving to tamper with his reputation and Kafka is piaced eputation and Kafka is placed in the dock on trial because somebody must have been tell-ing lies about his intimate

Beunett bas already written about Kafka in hia BBC TV play The Insurance Man (directed, as is Kofka's Dick, by Richard Eyre), presenting a sieck reptilian accident claims clerk told by a young dyer whose skin has been eaten away that if be understood the problem and didn't belp, he was wicked. Kafka grinned. Now we have tha tortured evasive artist of the writing; in other words, the Kafka we expect to see. Roger Lloyd Pack gives a portrait at once funny and ridiculous, shoulders hunched as if he might take flight with a flap of his wide length; a long releastic his wida lepels, a long sclerotic wrist balf-shielding his eyes and temple from the glare of adulation and misinterpretation, warned half to life by the mundane attentions of Linda.

Unlike Tom and Viv on this stage (a good example of contentions, bellttling biography) Beunett bas nothing to " prove about Kafka. His case is a paradigm for bow we confront repu-tation in the arts, how the artist confronts his own fame. And Richard Eyre's production, ingeniously designed by Wil-liam Dudley, maintains a careful

caught short at the front door, has urinated on the tiny

This box set is magically Meanwhile the pedantic transformed into the celestial equivalent of Barry Humphries's cocktail party, with Brod as the Recording Angel and Kierke-gaard talking to Noël Coward ("They've got a lot of ground to cover"). This finale is not quite right—Bennett has done other and better jokes about the Woolfs and Bertrand Russell -but at least it leaves Kafka confirmed in his view that heaven is going to be hell.

> I admire the limpidity end grace of the writing, although there is a lower strike rate of laugh lines than you might expect in a Bennett play. Most of these coma from Andrew Sachs's dapper little Brod, a Jewish agent in the first place desperately trying to keep his client happy by removing his books from Sydney's shelves. It is hard to see why Alison Steadman's gloriously perfunctory ex-nurse should have married the much older plodding insurance man of Geoffrey Palmer, but Mr Palmer compensates for low premium cast-I admire the limpidity end pensates for low premium cast-ing with a high-yield interest

work, Beunett is writing about domestic relationships across nnbridgeable chasms, and the impulse to record them (a theme in the seriously underestimated Enjoy a few years hack). Sydney's old father (Charies Lamb) is expecting not the Kafkas but the bealth authorities. He is off to a bome unless he can make seven in a authorness. He is on to a bome unless be can make sense in a general knowledge quiz; as he says at the end, "You can't put me away when I'm in touch with the latest developments in Kafka studies." Kafka'a mother (Vivian Pickles) is the only unsatisfactory character in an evening that is as intelligently provocative as it is thoroughly entertaining.

Television/Christopher Dunkley

English as she is spoke on screen

If you were looking for a con tender for the title "least promising idea for a television series" The Story of English might win. Yet the opening episode of BBC2's nine-part series on Monday suggests that this may well be one of the biggest this of the season, in terms of prestige if not ratings. The sheer speed with which English is becoming the lingua franca of the world—whather in science, rock music or air traffic control—is in itself fascinating, The trouble is that the idea still counds more suited to radio than television. The danger would seem to be of ending up with one of those "script and wallpaper" series in which everything of significance is contained in the commentary and the price of the contained of the commentary and the price of and the pictures consist of "wallpaper": library stock of aircraft taking off, crowds cross-ing bridges, dancers in national

But Episode 1 banished all such fears. First they have en excellent presenter: Robert MacNeil, who was a Panorama reporter in the sixtles and now co-anchors The McNeil-Lehrer Newshour, the best current affairs series in the USA. And second, even though the subject would be well suited to radio, producer William Cran has producer wisiam cran mass found visual material which greatly enriches his pro-grammes; India's frealance scribes sitting at their old typewriters, an African leader in national dress declaring his



Robert MacNeil: model presenter

ineffectual-looking character who turns out to ba a martial arts expert (the 1954 movie "Bad Day At Black Rock" did it even better); the contrast between this oh-so-honest naive hippy named Castle and the ob-so-devious bent ex-copper named King; the sub-plot involving Castle's legal battle for custody of his child, and so on But the very fact that you can see the effort counts against the see the effort counts against the programme. It looks contrived. programme. It looks contrived. In the best episodes of Minder, notably those written by Leon Griffiths, the bumour and the very narrative emerged from within the characters. It was clear that Griffiths did not see his cockney dno as wholly loveable bundles of fun: on the contrary. Arthur was a coveril clear that Griffiths did not see his cockney dno as wholly love able bundles of fun: on the contrary. Arthur was a coward—who follow Kate Flower's English lessons on television, and so on.

Episode 1 was a wonderfully engrossing and entertaining documentary which seemed to tell the whole story on its own.

**

King And Castle, ITV's intended replacement for Minder, has a long way to go if it is ever to match the appeal of Arthur Daley/Terry MacCann stories. Yon can see the effort being put in; the build-up of the seems that Griffiths did not see his cockney dno as wholly love, as wholly love, able cockney dno as wholly love, able cockney dno as wholly love, able cockney dno as wholly love, able bundles of fun: on the contrary, Arthur was a coward—Malik and Saeed Jeffrey, enternot only in a comic sense either and a racist, and Terry was a less than admirable womaniser who lacked the moral fibre to make something of his life.

It seems that Griffiths did not see his cockney dno as wholly love, able to make singers Shiriey Bassey in trary, Arthur was a coward—Malik and Saeed Jeffrey, enternot only in a comic sense either and a racist, and Terry was a less than admirable womaniser who lacked the moral fibre to make something of his life.

It seems that King and Contrary to lack of the profiles of black people in arts programmes such as Omnibus and the South Bank Shew?

Last week Omnibus was devoted to black opera singer Shiriey Bassey internot only in a comic sense either and a racist, and Terry was a coward—Malik and Saeed Jeffrey, enternot only in a comic sense either and a racist, and Terry was a coward—Malik and Saeed Jeffrey, enternot only in a comic sense either and a racist and Terry was a coward—Malik and Saeed Jeffrey, enternot only in a comic sense either and a racist and Terry was a coward—Malik and Saeed Jeffrey, enternot only in a comic sense either and a racist and Terry was a coward—Malik and Saeed Jeffrey, enternot only in a comic sense either and a racist and Terry was a coward—Malik and Saeed Jeff

from being a smash hit when it began; Thames had to persevere with it, but they did start from a very sound base. King and Castle starts from a much less impressive foundation, so even more perseverence will be needed.

On television these days, people get away with hreathtak-ing lies, provided they are told in the cause of feminism or anti-racism. Zipping through a tape of BBC 1's Black and White Media Show I happened to stop at a point where the vision provides no black role modals. This was just one among a whole cluster of unsupported assertions (for instance that Africa only gets onto the news when there is a coup, a war or a familia and that this war or a famine end that this is a hangover from colonialism, as though news programmes treated Greece or Chile any

differently)

But it stopped me in my tracks and made me wonder tracks and made me wonder whether the speaker had honestly never seen any of the regular television appearances of comedians Lenny Henry and Gary Wilmot, sportsmen Daley Thompson and Frank Bruno, news readers Trevor Macdonald and Moira Stuart, children's presenters Derek Griffiths and Florila Rouismin American stars Robert Guillaume end B. A. Baracus (Benson and Mr T. respectively), sportswomen Jody Simpson and Fatima Whit-bread, singers Shiriey Bassey end Tina Turner, actors Art Malik and Saeed Jeffrey, enter-tainers Kenny Lynch and Rusty Lee, or cricksters Clive Lloyd and Viv Richards.



Lenny Henry: black role

lation is white—black people seem to be doing splendidly seem to be doing well on television?

Much comment has followed the departure of Brian Walden from Weekend World and his MP. Matthew Parris. Would tha mprogramme have to change?
Would Parris prove tough
enough to take on the mantle?
Would the political interviewe at Sunday lunchtime still com-mand as much attention in mand as much attention in Monday's newspapers? Would Parris sustain the babit of accentuating irrelevant conjunctions and illogical syllables? Above all, would Parris have Walden's astonishing ability to say "Now let ma be quite clear about this Prime Minister, you are saying—" and then add a paraphrase of previous statements which is both accurate and devastatingly revealing?

Some answers are already clear. First, Parris is blissfully free of both speech impediments free of both speech impediments and pronunciation quirks. Secondly, the disproportionate space given to reporting WW interviews has far more to do with the transcripts so thought-fully provided by London Week-end Television and the paucity

of other material reaching Fleet Street newsdesks on a Sunday than with the inherent value of WW's material, and there is no reason to suppose that will

Furthermore the style and pattern of the programme as a whole seem set forever in con-crete. Within the industry WW is famous for its approach: you start by deciding what you want to say, go out and interview people until they say what you want—shooting the same interwant—shooting the same interviews over and over again if, necessary—and then put together your "Janet end John; introduction in which all subjects are approached from first principles. Monetarism? Start with cowrie shells. Motor industry? Start with the wheel. The Alliance? Start with John Stuart Mill. The result may be ettractive to bright, studious ettractive to bright, studious prep school boys of dim, idle polytechnic students. For adults with their own ideas it is usually deeply irritating.

Television is biamed for numerous social ills—juvenile delinquency, bad language, acquisitiveness—but rarely praised for its benefits. One of the greatest of these, surely, is the way in which natural history programmes have brought to millions of viewers en understanding of the lives of wild standing of the lives of wild animals which, to previous genarations, were either completely unknown or a great mystery. On a single evening this week (Sunday) the BBC showed 55 minutes of fascinating footage about birdlife at the north and south poles in the first episode of Birds For All Seasons and later 25 minutes about badgers later 25 minutes about badgers and pine martens in a repeat of Discovering Animals (which included an astounding picture of Tony Soper opening a kitchen window to feed a pine marten from his hand). If the green revolution and the animal protection movement do manage to nullify some of man's natier nullify some of man's nastier

Falstaff, Ariadne auf Naxos/Opera Northern Ireland

Opera in Northern Ireland used, not very long ago, to lead a precarious existence. Venues were various, seasons exiguous, and Strauss works that make conditions on occasion trying—up the hill. But their choice a colleague who is a regular Belfast visitor recalls one early 70s performance of Faust given in a most demanding ensemble contral by bomb scares. But local judga from the empty stalls of the darkest difficulties, and in 1980 it was given a boost by the re-opening of the Belfast Grand Opera House, one of the most beautiful and fascinating of future Montgomery initiatives.

Matcham, which the Arts Council of Northern Ireland bought and restored.

Supprisingly, perbaps, it was bought and restored.

Ished on the copious detail of Hofmannsthal's libretto (as in the introduction of the Edmannsthal's libretto (as in the introduction of the Secure to the introduction of the second half), a conditions on occasion trying—up the hill. But their choice sense of acute sympathy with the purpose of tha original kept and the purpose of tha original kept and the purpose of the original kept and the purpose of the

Matcham, which the Arts Council of Northern Ireland bought and restored.

Then last year the situation was put on a more secure and permanent footing: the stalwart in a fractured gabble alleged to be the original language. More amateur Studio Opera Trust and the amateur Studio Opera important, the chosen style of Opera Northern Ireland is the offspring—a new administration—the field the purpose of achieving as much with opera and local resources (including singers) as funds will allow. Small-scale tonrs of tha province stand high on the roster of daties; Belfast on the roster of daties; Belfast on the following with the Ulster of the most part belp; no less so the well-schooled, increasingly radiant Ariadne of Rita Cullis, ably in a fractured gabble alleged to mesh with as Bacchus—Miss Cullis is maturing into one of the most part belp; no less so the well-schooled, increasingly radiant Ariadne of Rita Cullis, ably in a sumdly-based technique). But there is one inspired as Bacchus—Miss Cullis is maturing into one of the most part belp; no less so the well-schooled, increasingly radiant Ariadne of Rita Cullis, ably in a sumdly-based technique). But there is one inspired as Bacchus—Miss Cullis is maturing into one of the most part belp; no less so the well-schooled, increasingly radiant Ariadne of Rita Cullis, ably as Bacchus—Miss Cullis is maturing into one of the most part belp; no less so the well-schooled, increasingly radiant Ariadne of Rita Cullis, ably as Bacchus—Miss Cullis is maturing into one of the most part belp; no less so the well-schooled, increasingly radiant Ariadne of Rita Cullis, ably as Bacchus—Miss Cullis is maturing into one of the most part belp; no less so the well-schooled, increasingly radiant Ariadne of Rita Cullis, ably as Bacchus—Miss Cullis is stoke of casting: Claude Corbett and the partners of the work, in a theatre of British sopranos.

The gem of the performance of the complete of the intervent and confident of the intervent and confident of the intervent and confident of the prov

Opera in Northern Ireland would be rash to attempt to lished on the copious detail of Christie's attractive Zerbinetta

offspring—a new administration planned with the purpose
of achieving as much with
opera and local resources
(including singers) as funds
will allow. Small-scale tours
of tha province stand high on
the roster of duties; Belfast
performances are given in
partnership with the Ulster
Orchestra.

For its artistic and musical
director the company has had
the good sense to secure Kenneth Montgomery, Belfast-born
and seasoned at Glyndebourne.
The Arts Council has given
and seasoned at Glyndebourne.
The Arts Council has given
Belfast season currently in progress is his first. No doubt it

The province stand high on
the roster of duties; Belfast
performances are given in
partnership with the Ulster
Orchestra.

Grant for deaf
percussionist
The Arts Council has given
Belfast-born
and seasoned at Glyndebourne,
the has become one of the most
capable and reliable of British
opera conductors. The eight-day
sorter for the performance of Eddwen Harrby. The singing
the season devised the performance of Eddwen Harrby. The singing
was not meltingly beautiful but
was finely shaped, end tha
portrait of a passionate youth
was irresistibly charming. Nan

Mitchell and Fielding
The Miser?

Warren Mitchell and Fenella
Feiding are to star in Molicre's
The Arts Council has given
Warren Mitchell and Fenella
Feiding are to star in Molicre's
The Miser at the Birmingham
offer conductors. The eight-day
virtuoso Kelko Abe in Japan.
The grant is from the Henry
and Lily Davis Fund.

Martin Hoyle

Pick of the Fringe/Donmar

The antumn nip sends the affair you had to Michael") to swallows south and brings the cream of the Edinburgh Festival fringe in the same direction. Yet again Perrier perform their more or less philanthropic act a siy knowingness that I bope of sponsorship for a three week be will develop. As yet he season at the Donmar Ware lacks the punch to make the house in Covent Garden. High most of Ghandi or Kennedy light of the next formight will impersonations; his talent be Eileen Nicholas's acclaimed seems to lie with observation be Eileen Nicholas's acclaimed seems, to lie with observation solo in Franz Kroetz's Request-transmitted into mad logic, as Programme. The femining trend, when he traces a map of Ireland on his profile, siting Kerry on his chin and Cork under his ear. The effect is cumulative. By the time be is joined hy a brace of colleens in Irish dancing, including a number performed horizontally prone on the floor, feet waving in the air, a peculiar but unmistakable talent has made its mark.

The mid-evening show is Jon Gaunt's Hooligans, a Fringe of First. This study of three until likely friends, a deserting soldier.

computer errors—inoffensive.

Intimate Memoirs of on Irish
Taxidermist is written and
directed by the Canadian
Marcia Kahan whose radio work
bas been praised in thesa pages
by my colleague B. A. Young.
Off-beat, zany, amiably inconsequential, it casts oblique but sharp glances at Irish values
and preoccupations — not to say fixations. It takes the form of an antohiography of Ben Keaton (the actor's own name), the "struck-off taxidermist" who started with a stick insect, was left with an urge to offer sugar to girls after horse-loving Father Nolan's fumbied explanation of sex, felt a (religious?) burning on his head in church one Sunday, fied from home when be realised bis mother wented to stuff him (as in taxidermy), and imagines his own death, funeral and meeting with the Creator.

Whether dishing out bags of sweets as forfeits-in-reverse (for "impure thoughts" or "for the"

Cannt Intimate Memoirs of on Irish
Ikkely friends, a deserting soldier, a mindless near-psychopathic skinhead and a deserting soldier, a mindless near-psychopathic skinhead and a cinéaste who records Barry Norman on the video, ikes Godard and exponnds the value of vegetarian food, is put over ecliché is allowed to go by in decent obscurity, all is hideously emphatic, notebly the soldier's improbably eccount of seeing bis reflection in the "tear-wet eyes" of a young Argy in the process of twisting his testicles and kissing him on the cheeks.

Despite a dance where the free strip to their pants and spray heer over the front row, the effect is of a solemnly-dramatised slice of Open University sociology—except that is bitter deserter with the awakening social conscience seems unaware that the media pulp diet be so despises extends further than Cilla Black and The Price is Right.

strangers in the front row-high-ranking executives of Perrier—Mr Keaton displays a gentle charm shot through with

First. This study of inree unlikely friends, a deserting soldier, a mindless near-psychopathic skinbead and a cineaste who records Barry Norman on the video, likes Godard and exponnds the value of vegetarian food, is put over with embarrassing energy. Not

"What's special about these Danish companies?"

Roger Lloyd Pack as Franz Kafka

ABN Bank Copenhagen Branch, Assurander-Societetet, Berclays Finans A/S, Berlingsle Tidende, Blüuben, Boliden, Buch+Deichmann, Danish Steel Works Ltd., Danish Telecom International A/S, Danish Turnkey Dairles Ltd., Dannebrog Shipyard Ltd., A/S De Danishe Sukkerfabrikker, Domi A/S, Duracell-Dalmon ApS, East Asiatic Co. Ltd. (A/S Det Østasiatiske Kompagni), A/S Elizabeth Arden, Ese-Food, F. L. Smidth & Co. A/S, Forlaget Management A/S, Frisko Sol is A/S, Ginge Brand & Elektronik A/S, Granges Danmark A/S, Grundfos International A/S, Haldor Topste A/S, Hellerup Bank A/S, Henriques Bank Aktisselslah Krafittforeningen Danmark A/S, Kommunedista Aktieselskab, Kreditforeningen Danmark A/S, Kommunedata, Midibank, A/S Niro Atomizer, Norsk Hydro Danmark a.s, Nykredit, Price Waterhouse, Privatbanken A/S, Revisionafirmaet C. Jespersen, Skandinavisk Tobakskompagni, Statsanstalten for Livstorsliving, The Jutland Technological Institute, Aktieselskabet Varde Bank.

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Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednes-day. Exhibitions/Thursday. A selective guide to all the Arts ap-

Theatre

Romeo and Juliet (in Japanese), un important new production directed by internationally known Kabuki feale impersonator. Tamasabure Bando, starring Hiroyuki Sanada and others. Sunshine Theatre, Ikeb-ukuro (987 5281).

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T.S. El-Trevor Num's production of T.S. El-liot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262). 42nd Street (Majestic): An immodes

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffialo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

A Chorus Line (Shubert): The longestrunning musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as audi-tions rather than emotions.

(239 6200).

La Cage amx Folles (Palace): With some taneful Jerry Herman songs, Harvey Fierstein's adaptation of the French film manages, barely, to capture the feel of the sweet and hilarious original between high-kicking and gaudy chorus numbers. (757 2828). I'm Not Rappaport (Booth): The Tony's best play of 1988 won on the

strength of its word-of-mouth popularity for the two oldsters on Central Park benches who bleker uproar-lousty about life past, present and future, with a funny plot to match. (239 6200). Big River (O'Neill): Roger Miller's mi-

High River (O'Neill): Roger Miller's music rescues this sedentary version of Huck Finn's adventures down the Mississippi, which walked off with many 1985 Tony swards almost by default. (246 0220).

The Mystery of Edwin Drood (Imperial); Rupert Holme's Tony-winning resurrection of the unfinished Dickers election is an incontinuous management of the property of the

ens classic is an ingenious musical with music-hall times where the andience picks an ending, (239 6200),

Pump Boys and Dimettes (Apollo Cen-ter): Facetious look at country music and down-home country life with a good beat and some memorable songs, especially one played on kit-chen utensils has proved to be a du-rable Chicago hit. (935 6100).

LONDON

La Cage Anx Folles (Palladium): George Boarn a welcome star along-side Denis Quilley in the transvessecond act, less than vintage Jerry Herman score. The show has not travelled well from Broadway. (437 7373 (CC) 734 8961).

Dalitance (Lyttelton): Tom Stoppard's new version of Schnitzler's Liebelei is e crushing disappointment only party redeemed by Brenda Blethyn as the ruined working girl. A theat-ricalised travesty of the work adds to the confusion of middle-aged ac-tors playing boyish dragoons in Pe-

September 19-25

ter Wood's numbingly respectable production. (928 2232).

Lend Me A Tenor (Globe): Fresh and inventive operatic farce by new American author Ken Ludwig set in Cleveland, Ohio in 1934. Dennis Lawson and Jan Francis lead an en-ergetic company in mistaken iden-tity romp, while Verdi's Otello car-ries on regardless. (437 1592) Vhon We. Are Married (Whitehall): Matchless comic playing from an all star cast in Priestley's comic war-horse about silver wedding anniversaries undermined by an inconvenient revelation. Bill Fraser is a dramken Falstaffian photographer and the couples are led by Timothy West and Prunella Scales. The 1990 theatre has been beautifully renovated (938 7785).

theatre has been beautimity renovated. (930 7765).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blakemore's brilllant direction of backstage shenanigans on tour with a third-rate farce is a key factor. 22nd Street (Drury Lane): No British

that Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbech, but David Merrick's tap descing extravaganze has been rapturously received. (336 8108).

Starlight Express (Apollo Victoria): Andrew Lloyd Webber's rollershating folly has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling reliance on indiscriminate rushing around. Disneyland, Star Wars and Cats are all infinences. Pastiche score nods towards rock, country and hot gospel. No child is known to have asked for his maney back. (634 6184). No child is known to have a bis money back. (834 5184).

Talk To Me/New End

Claire Armitstead

Hampstead's New End Theatre, extensively refurblished end with a season of concerts already under its belt, makes a promising bid for a corner of the London fringe with William Humble's play about psychoanalysis, Talk To Ma.

cesses. Now in the ownership of international tax consultant Roy Saunders and his wifa Sonia, it boasts en intimate acoustic and easy viewing from steeply raked seating.

directs, have decided to think hig, with Alan Dobie topping the hill, and a play that has already proved its mettle on television.

assemmed during the play in the dand couch.

Where it all leads depends inevitably on whether one happens to believe in the value of the play in the p

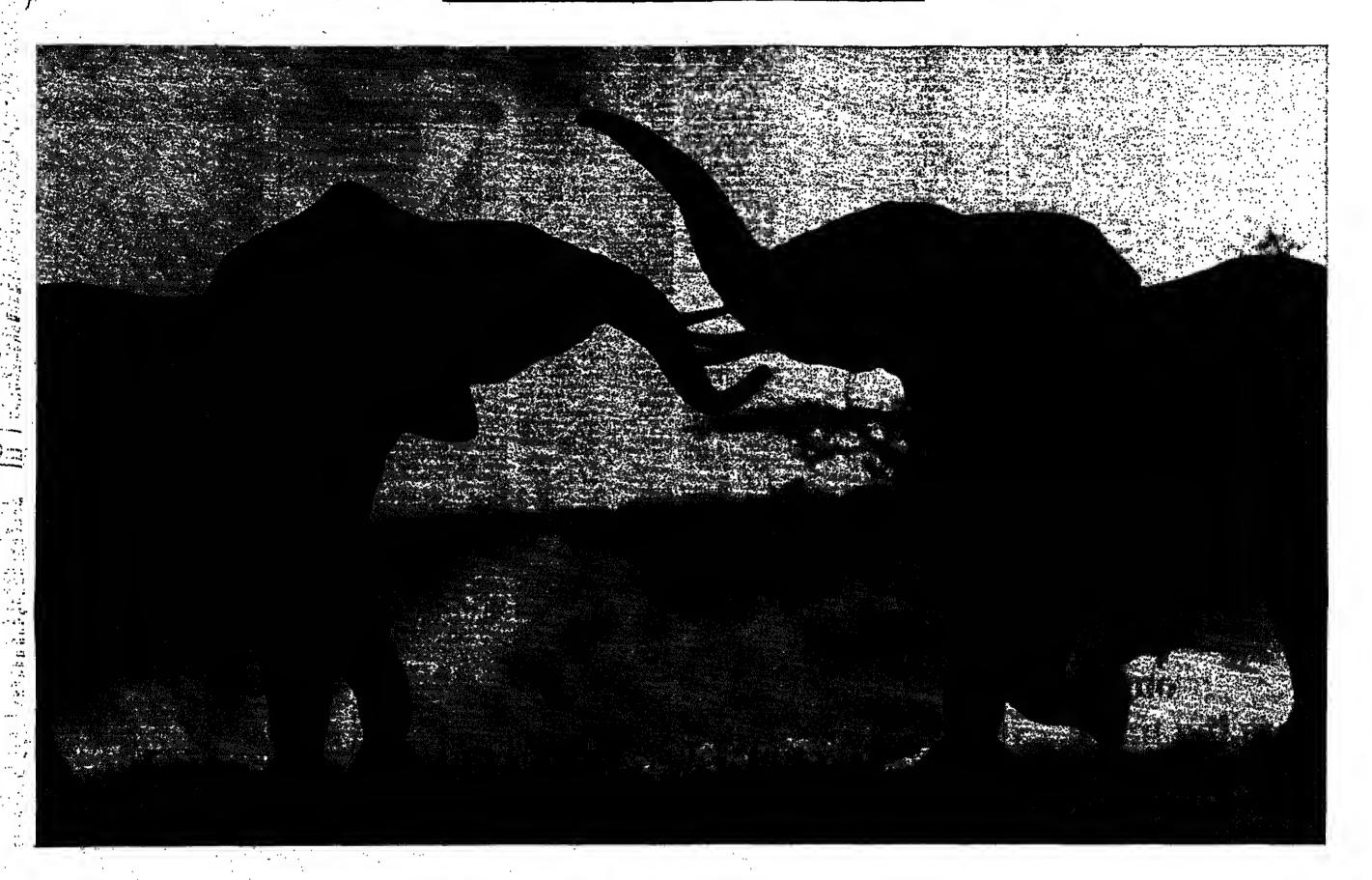
grows, the merrizge withers. It is not light entertainment, but it is suffused with the edgy Ma.

The former mortuary has had its ups and downs since its original launch as a theatre in 1974; successive managements largely unspeaking intellect, bave failed to make it pay, despite some notable artistic successive more a sawkish schoolboy. hy turns gawkish schoolboy, hy turns

giggling and sullen. Roy Saunders and his wifa
Sonia, it boasts en intimate
acoustic and easy viewing from
steeply raked seating.
This strong first production
from the new company
Southern Lights is compensation for such minor discomforts. Wisely, the two founders,
one of whom—Wyn Jones—
directs. have decided to think
hig, with Alan Dobie topping

Talk To Me takes a fairly ambiguous look at the effect of psychoanalysis on a young coupie: Matthew who, smitten with depression, becomes a convert to the analyst's couch and

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Wednesday September 24 1986

Bad day for the Alliance

THE Liberal Party's vote in with the Liberals at arm's favour of e non-nuclear defence length and for discouraging e policy was being politoly described in Eastbourne last night as en embarrassment for Mr always a suspicion that too Dsvid Steel, the Party leader, much of the Liberal Party With the best will in the world it looks rather more than that. Party he had left. Who is to It was a serious blow to Mr say now that he was completely

The Liberal leader had identified himself closely in the past few weeks with the defence policies advocated by Dr Owen and the SDP. These included that possibility of a successor to the Polaris nuclear force. to the Polaris nuclear force if there is insufficient progress on arms control. They also peved the way for further talks with the French on nuclear co-opera-tion. They were endorsed by the SDP Cooference in Harro-gate e week ago and it looked as if the Alliance was finding a middle course hetween e a middle course hetween e Labour Party which wants to get rid of nuclear weapons altogether and a Tory Party which is committed to replacing Polaris with the expensive and more powerful Trident system. more powerful Trident system.

Mr Steel's defeat puts all thet
in jeopardy. It is truo thet it
was by e margin of only 27
votes out of an assembly of
ebout 1,900, but it is also
notablo that some of the most
powerful speeches against the
retention of nuclear weapons
came from Mr Steel's fellow
MPs-Mr Simon Hughes, for
example. The vote cannot be
simply dismissed as the Young simply dismissed as the Young Liberals and members of the Campaign for Nuclear Disarmament taking over the assembly from the floor. The division split the party through and through

Arm's length

It is also true that in his capacity as party leader it is Mr Steel who decides what goes into the election manifesto. You it would risk a rift of enormous proportions to defy the Assembly entirely. At the best he is going to have to start fudging or, as be said after the debate, put rather more emphasis on disarmament and was something that the Alliance was not supposed to do, or perhaps that applied only to the SDP wing. Dr Owen will be disappointed but not entirely surprised by what has hoppened. Ho has been criticised in the past for keeping his party's relationship body will know it.

It was e serious blow to Mr Say now that he was completely Steel's anthority and cannot wrong? Indeed the Liberals fail to have a damaging effect on the Liberal-SDP Alliance as e whole.

Labour and the Tories will be laughing. Not only has the possibility of the Alliance com-

ing through the middle with e credible defence policy been much diminished, it has lost one of its principal assets: the ability of two parties to co-operate. The Alliance boast that it was more united than that it was more united than either the Labour Party or the Tory Party now looks distinctly The split will be exploited on

the doorsteps, in speeches and in the political literature; and no-one can accuse the other parties of unfairness in doing so. They always claimed that the Alliance was divided. Now their hopes have been fulfilled. In the circumstances, there is nothing for the Alliance to do
except to try to clear up tho
mess. The Liberals and the SDP
have become too dependent on

rent," involving a degree of nuclear co-operation with the

each other to try to disentangle thomselves before a general election, though afterwards may be a different matter. In one sense they are for-tunate. The defence policy that Dr Owen and Mr Steel were trying to develop was in its very early stages. The term "European minimum deterafar by then.
This year's pay round appears

French, only emerged after their talks in Paris at the beginning of this month. They are going to Bonn to widen the dis-cussion next week. There is no reason why their initiative should not be continued. Indeed "Irresponsible and reckless" was only one of the acid comments of Mr Kenneth Clarke, Paymaster General and Employment Minister, who led the attack on the offer. By last worked he was stilled to the offer at the control of the contr they might claim that it is more relevant than ever since the climate for arms control bas improved following the Stockbolm agreement on European disarmament. Yet they can hardly go as the glad confident.

UK PAY SETTLEMENTS

Return of the going rate

By David Brindle, Labour Correspondent

headquarters in London's calling the tune in the council stuck et 7.5 per cent since 1984, Centrepoint tower. It is, after manual workers' wage talks, it basic pay settlements have all, hearly a year since Sir was always likely that the begun recently to concentrate Terence Beckett, CBI director- Government was setting itself between 5 per cent and 7 per general, first spotted that a "unique window of opportunity" was open to employers to bring down the level of pay been falling into disuse until stability of settlements this year settlements in the IIE convents in the convents to the top of the tune in the council stuck et 7.5 per cent since 1984, and it basic pay settlements have begun recently to concentrate to the begun recently to concentrate to the begun recently to concentrate to the begun recently to concentrate to be the begun recently to concentrate to the begun recently to concentrate begun recently to concentrate to the begun recently to concentr

to oring down the level of pay settlements in the UK economy. That window—low inflation— is today gaping even wider. Sir Torence still points invit-ingly to the lush low-cost land beyond. But, like circus animals which have performed too long on a pay/price treedmil, employers seem reluctant to escape into that world.

"As with all these things, somebody has got to be first.

somebody has got to be first.

And if we are going to disadvantage ourselves in the
employment market by being
first, then it is not really in
our best interests to do that,"
says e company personnel
manager, explaining why he
will not be looking for particularly low settlements in negolarly low settlements in neso-nations about to start for 3,000 chemicals workers.

"Because we are able to make job savings, our remaining few staff can have fully justifiable increases in excess of inflation," said a Lincoln-based company chairman in a letter pristed in the FT last Saturday.

the FT last Saturday.
But by this time next year, say analysts, the rate of increase in retail prices will be accelerating markedly from its present 2.4 per cent and employers now preparing for the winter pay round empot expect the wixdow to be much pair by them.

to have started at a punishing pace: last week's \$6 a week or 6.7 per cent offer to local authority manual workers, the biggest single wage bargaining group, is seen by infuriated ministers as a likely target for their mer other groups to aim at.

Wolfson's uphill push been falling into disuse until ministers spoke up about it in recent days, reviving dimming memories of the pay helter-skelter of the 1970s.

the £6 a week pay rise limit, in response to inflation of almost response to innation of almost 27 per cent and average in-crease in manual earnings of 33.3 per cent, the idea of an annual autumn pay benchmark has been rooted somewhere deep in the nation's psyche. What has changed since the

Long-term deals can often aggravate wider problems

return of free collective bar-gaining in 1979 is the seasonal balance of the pay round. November has declined in im-portance as a settlement date as bargaining groups, anxious to get out of the front line of autumn negotiations, have shifted to January and April. July, appealingly at the end of the round, is becoming increasingly popular with employers who calculate that trade unions find it difficult to persuado their members to take industrial action close to the summer holi-

Another development since 1979 is the emergence of the long-term settlement. The lengths and expense to which

T MUST be getting chilly in getting pay back into the past few months than for some in the Confederation of hasdlines. And with Labour-time. With the underlying rate British Industry's high-rise controlled local authorities now of increase in average earnings

has been "remarkable." Indus-trial Relations Services, another memories of the pay helterskelter of the 1970a.

Such criticisms are a little
unfair. The pay round is alive
and well, if not quite as robust
and attention-seeking as it once
was. So, too, is the going rate.
Ever since the Labour Government introduced in August 1975
the £6 a week pay rise limit in

trial Relations Services, another
pay research group, says that
most bargaining groups are
settling at lower levels than 12
months ago but that the downward movement is minor compared with the fall in inflation.
According to IRS, fewer than
one in 15 settlements is breaching the "effective pay floor" of
the £6 a week pay rise limit in per cent.
The prospect of 5 per cent

becoming a bottom line for union negotiators this winter is likely to worry many employers. Mr John Cahill, senior policy adviser at the CBL says: "I would be utterly flabbergasted would be utterly nabbergasted if settlement levels did not abow a decline, but the 5 per cent barrier is going to be just as important psychologically as the 10 per cent barrier was in the early 1980s."

The CBL sensitive to charges that it call for a 2 per cent

that its call for a 2 per cent reduction in settlement levels in the last pay round was not fol-lowed by member companies, is adopting a different tack this autumn. Specific targets are definitely ont. So, also, is Sir Terence's famous "nowt for nowt" dictum, thought in retrospect to have overstressed the negative. Instead, expect a "summat for summat" productivity thema from the directorgeneral, when, in November, he
eddresses his last CBI conference before he retires.

But this, in a way, ducks the question of why it has proved an difficult to get the level of pay settlements to respond to the fall in inflation. Three factors are of importance: O Union resistance. It is fashionable to decry this, to argue—as ministers have done—that as union power has been broken mion power has been broken by the Conservative Govern-ment, it must be employers who are to blame for awarding higher-than-necessary settle-ments. The fall in the number of strikes to the lowest level since 1939 is offered as further

Paymaster General and Employment Minister, who led the attack on the offer. By last British Alrways has gone to which weekend be was taking to task secure a repeat series of two-both employers and unions. Tha year deals (average 8 per cent of secure a repeat series of two-both employers and unions. Tha year deals (average 8 per cent of secure a repeat series of two-both employers and unions. Tha year deals (average 8 per cent of secure a repeat series of two-both employers and unions. Tha year deals (average 8 per cent of secure a repeat series of two-both employers and unions. Tha year deals (average 8 per cent of secure a repeat series of two-both employers and unions. Tha year deals (average 8 per cent of secure a repeat series of two-both employers and unions. Tha year deals (average 8 per cent of secure a repeat series of two-both employers and unions. Tha year deals (average 8 per cent of secure a repeat series of two-both employers and unions. The problem successful about itself the productivity gains, had to stop.

This raises two questions: is floor any longer such a thing as a pay round, and is there against a pay round and is there against a pay round and is there against yardsticks of 6 per Critics have said that people were quietly forgetting about the idea of a pay round until ministers reminded them of it over the past few weeks. The remewed campaign for pay moderation, launched by Mr influential seems rash. For the Nigel Lawson, the Chancellor.

Any suggestion that such remains at Ford and Vauxhall and industries are taking at Lucas Industries are mand. Against a backdrop of these tweet anything, been stronger in the overtime ban

Average Earnings Index Underlying % change over previous 12 months

Key Pay Settlements Burton Mensweer

Retail Prices

backdating of a 5.9 per cent deal. The unions are not yet a busted flush. Profits and example. With

10

company profits forecast to grow hy between 15 and 25 per cent in the next year, and with profit-sharing very much in vogue, employees' expectations are high. Notwithstanding the offer by Jaguar white-collar workers to discuss increased share entitlement in place of hard cash, however, most com-panies and unions seem reluc-tant to comtemplate sophisti-cated share-ownership schemes of the sort envisaged by minis-

• Skill sheringe and competitiveness. These are almost certainly the most important factors, forcing up the pay of sought-after specialists and bringing other workers up in the slipstream. The Institute of Directors' latest business opinion survey, published this month, found 15 per cent of companies identifying labour supply as their main concern over the next six months.

to make long-term investment in training. Mr Alastair Evans, menpower planning manager of the Institute of Personnel Management, says: "I see no only are the council manual

One of the most recent settlements is a 6.25 per cent deal, effective September 1, for 4,500 employees of Burton Menswear. Mr Micheel Wood, Burton Group finance director, thinks this is "reasonable in the climate "—a climate dictated not by the Governmant, the CBI or the unions, but by the intense competition in the high street sector. Although it was an April settlement, the 8.5 per cent ewarded hy non-unionised Marks and Spencer, is clearly continuing to force the pace.

Mr Wood says: "Our priority is retaining the best people we can and it is fair to expect those companies that are doing well to pay a bit more than One of the most recent settle-

well to pay a bit more than those that are not." Of the research companies,

Incomes Data Services predicts that any (slight) fall in pay settlement levels in the coming months will be compensated for by top-up payments to boost recruitment and retention. Result: average earnings rising For its part, Industrial Rela-tions Services does not expect average settlements to drop below 5.5 per cent this year and believes the downward trend may come to a halt in 1987 in the face of increasing profit-

pressure in the public sector. workers set to pick up 6.7 per cent, but firefighters are set for another index-linked rise in excess of 7 per cent in Novem-ber and the teachers' salary restructuring deal, giving them an overall 14 per cent in 1986 1967, is due to come into effect after Christmas. It remains to be seen whether the Government will, unlike last year, practise in the Civil Service what it preaches elsewhere.

Somo employers will shrug their shoulders at such national settlemants. They will say that what matters to them is not what the council is paying its dustmen or for that matter what Esso pays its drivers, but what direct business competitors are prepared to pay, say, e skilled olectricism. It is, to be sure, true that local and internal labour market considerations are growing in importance and may, in the very long run, even lead to the eventual demise of the pay round.

But the present reality is thet most employers, unions and now, it seems, the Government, are absorbed by the concept of a going rate. It will take a fundamental and entirely un-expected change in attitudes in both the private and public sectors, to see that rates fall below 5 per cent this winter. However independent em-ployers may think they are their labour costs are still dictated to a great degree at tha centre. In the engineering industry, for example, the continuing negotiations on the

working week threeten to have a far-reaching impact on the costs of some 5,000 companies. As the cards are dealt for the new pay round, the prespect care reduction in the industry's 39-hour week, unchanged since 1979, is the joker in the pack.

Way through the planning maze

A PRIVATE bouseholder can ning principles in any area, be ordered to change the colour of a front door; great swathes of a large and immediate of a front coor; great swatnes of countryside can be commandeered for projects decaded to be in the netional interest ranging from motorways to channel tunnels. It is little wonder that the planner, armed with interminable rules and regulations, has become one of the least popular professionals of modern civilisation. He pits the bureeucracy, supposedly ecting in the common interest. against those who want to develop and those who do not. Even endowed with the wisdom of Solomon, a planner would be hard pushed to win friands from

Since the Second World War successive British governments
heve tried and failed to reconcile the conflicting interests
involved in planning town and
country. Mr Nicholas Ridley, the Environment Secretary, has put forward some ideas with the laudable aim of trying to simplify and improve the myriad systems which comprise the systems which comprise the netion's cumbersome planning machinery. But it is far from clesr that his ideas will work any better than those of his pre-

The present planning system is a two-tier arrangement with detailed structure plans being prepared et county level sod drawn up by the districts. These plans, particularly the structure plans, take years to prepare; they often conflict with each other and with the way in which pressures for development sppeer in the market. Local planning decisions are subject planning decisions are subject intentions, particularly those in to appeal to the Environment Secretary, a process which can take years and which often produces a result directly contrary the structure and developtions the structure and developtions. The key to this approach is to the structure and develop- local decision-making. ment plans. It is all a very British muddle.

parts of England and Wales but still with an eppeal process to confined to an annual white blm. "It will bring planning paper on land use and tho closer to local peopla, where it environment.

be the exception that provoe intentioned proposals might not the rule. Any change in plan-produce tha desired result.

of a large and immediate capital gain once protected land becomes development land overnight. The danger of local corruption would be greatly enhanced by making the sole arbiter of local planning the relevant local council. The opposite side of this coin is equally unsatisfactory. There is tremendous pressure for more housing in the south-east. Allowing each council to regulate ing each council to regulate completely its own development could make the market even more rigid by always eliciting the response: "certainly more development is needed—but not now and not here."

now and not here."

However, it is much easier to criticise the planning maze then to find a way out of it. No sensible solution can be proposed until there is a consensus about the purpose of planning, which should be neither to freeze the status quo end stifle development nor to allow laisser faire development

Fortuitously, a committee of

Fortuitously, a committee of inquiry into town and country planning commissioned by the Nuffield Foundation reported this week after nearly four years of deliberation. The committee lists its own ideas of the pur-poses of planning which include poses or planning which include anticipating and preventing the perpetration of nuisances; pro-viding a coherent and consis-tent framework for the operation of the market in property and development land; and reconciling conflicting demands for land as they arise from the development plans of public and private agencies. This means that knowledge of developers' intentions particularly there is

county structure plan would be replaced by triennial county strategies. This would be becked up by county The exception

Mr Ridley's proposal would eliminate the structure plans ontirely, leaving a single tier in conformity rather than competition with the county plans.

The exception

Strategies. This would be becked up by county development plans and local district plans which would be drawn up of development planning in all petition with the county plans. The role of the centre would be

While tha eim of devolving as much as possible to the local level remains a generally healthy objective, planning may indicate that Mr Ridley's well-

Brian Wolfson, who today starts a two year stint as chairman of the British Institute of Manage-ment, believes that some of Britain industrial problems stem from a culture which heaps shamo on people who have failed in husiness enter-prises, yet is reluctant to respect those who succeed.

The creator of the Anglo Nordic group of engineering companies, and chairman of the consortium which plans to inject new life into the Wembley Stadium complex, 51-year-old wolfson comes into the success category. Billed by the BIM as "more of an entrepreneurial figure than the previous holdars of the post" (bo succeeds Sir Peter Parker), Wolfson himself is a bit dismissive of the is a bit dismissive of the description. "All managers must be able to take entrepreneurial decisions from time to

His contribution to BIM activities to date has been wholly in the promotion of management education, and he plans to bang this particular



They can't all be delivering their last minute TSB applications, can they?"

Men and Matters

drum all the harder during his Actually. Spencer believes presidency. He wants to that the key signs for gilts in increase the involvement of the months ahead will come drum all the harder during his [young people with industry, building on Industry Year initiatives like work shadowing, and also to emphasise the importance of support by man-agers for education and training throughout the working lives of employees.
"The best-managed companies

already do this. By example and discussion, our members must spread the message to all must spread the message to all companies. If we can get management to focus on common goals, we might just ensure that British companies go over the top of the hill which they have slogged up in the past few years. If not, we will alide back down the hill."

Going for gilt

Whitehall is about to lose another bright star to the Big Bang. Peter Spencer, one of the Treasury's experts on the financial markets, is going to Credit Suisse First Boston, the power-ful Euromarkets house, to head their gilt-edged research de-partment. CSFB, which is jointly owned by Switzerland's third largest bank and a leading Wall Street investment house, is one of the plucky band of 27 firms recognised by the Bank of firms recognised by the Bank of England as gilts market-makers.
"This is a good time to be going to the City," says the 37-year-old Spencer, who helped develop the Treasury's econo-metric model on the financial markets, and is one of two senior economic advisors who senior economic advisers who put together the medium term financial strategy.

Ho says he has "no strong views" on whether the gilts market will turn into the

widely predicted bloodbath as change and so put forward a change and so put forward a candidate for its reserved seat on the development bank board without first cleering it with the Cabinet office, which, after

from across the Atlantic in the US Treasury bond market where interest rates could rise in response to the US deficit. But he is keeping his options open. Rather than resign from the Treasury, he hopes to take a two year leave of absence so that he can go back when all the excitement is over.

Japanese puzzle

When it comes to choosing people for senior positions in business and government, the Jepanese are normally painstak-ingly methodical in checking out all possible ramifications of an eppointment.

They even have o special word for the process, nema-washi, which means literally "digging around the root of a

Well, it appears that the Bank of Jepan did not dig thoroughly enough last week and the result is that it has had to despatch its that it has had to despatch its widely respected deputy governor for international relations, Shijuro Ogata, to the relatively minor post of deputy governor of the Japan Development Bank.

The cause of it all, it seems,

is the Nakasone Cabinet's new datermination to stand up to quickly put the money in his the bureaucrats and assert its pocket, picked up the Scotch will over senior civil service and the book of quotations, and determination to stand up to the bureaucrats and assert its eppointments.

The BOJ failed to notice the

hearing about it, vetoed it and insisted that the BOJ send a more senior candidate. Ogata scarcely has time to clear out his deak before taking up his new post later this week.

Classics man

The Great Investment Race in which 16 fund managers are competing to raise funds for charity—begins et noon today and the City of London teams are sparing no pains in polish-ing up their investment

Nomura Securities is scrutinising Japanese securities, while Fidelity, the unit trust group, is scouting about for the riskiest possible investments. But the London stockbroker L. Messel seems to have swallowed a Greek dictionary. "The strategy of the team will be to chase high leverage of returns — in the parance of returns — in the parlance of market risk measurement of Alpha and Beta factors we will be looking at the Omega end of the scale," it says.

And goes on: "In our andeavour to steer a geared course between the Scylla of Big Bang and the Charybdis of its confused aftermath . . " Well, as long as it avoids the clutchas of the Cyclops.

Press cutting Just to show we in the trade can take it on the chin. A New

York editor told his wife that he was going to give their teenment Bank.

Sources close to Ogata, who moves easily and effectively in central banking circles throughout the world, left no doubt that the man was extremely disappointed about this sudden transfer.

The course of it all it recent

The boy was called in, and ran out of the room. observed the wife, "as if be'a going to be a journalist, just like you."

Observer

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PLUG INTO THE INFORMATION REVOLUTION—

CONVENTIONAL WISDOM has CONVENTIONAL WISDOM has it that after the Big Bang on October 27, small companies may find it increasingly diffi-ent to market their shares as the securities houses scramble to deal in the larger, more deal in the larger, more profitable transactions genera-ted by the bigger companies. For once, conventional wisdom is probably correct.

If the securities houses neglect dealings in small companies after deregulation, then the market in the shares of those companies will become illiquid; the movement of their share prices more volatile; and the gap between buying and selling prices wider. As a re-sult, many small companies would be left with unmarketable shares and dwindling market capitalisations.

How difficult will life be for small companies after the Big Bang? If illiquidity develops will it be a short or a long-

"Illiquidity has always been problem for small companies, particularly for those on the particularly for those on the Unlisted Securities Market," says Mr Simon Metcalfe, a director of County, the merchant banking arm of National Westminster. "But in the protective environment before deregulation illigibility has effected. lation, illiquidity has affected only the smallest and sleepiest companies. After the Big Rang there is a risk that illiquidity will affect many more com-

panies."

The crux of the problem lies in the way the Jobbing or market making system in London will change after deregulation. As competition intensifies in the City the securities houses will be forced to counter the fall in commissions by cuttings costs and hy increase. by cuttings costs and by increas-ing the size and profitability of individual transactions.

In this competitive environ-

ment, it may no longer be cost-effective to handle the smaller, enective to handle the smaller, less profitable transactions generated by small companies. Many of the larger jobbing firms have already begun to prune their portfolios. Akroyd, Pinchin Denny and Wedd Durlacher have already stopped making markets in some of the smaller USM stocks. County

smaller USM stocks. County Bisgood intends to follow suit. It is simple to sketch a scenario whereby many small companies are forced to trade their shares on the matched bargain basis adopted by private companies and those dealt on the over-the-counter market. But matched bargain trading tends to be very sluggish.

faced by the junior market.

The USM was created in 1981
as an integral part of Government's policy of market liberalisation and as a catalyst for the "enterprise culture." Its rapid universe in companies on the main market may be even worse," says Mr Geoffrey Douglas, head of USM research at the stockbrokers thought the stockbrokers at the companies on the main market may be even worse," says Mr Geoffrey Douglas, head of USM research at the stockbrokers thought the stockbrokers at the companies on the main market may be even worse," says Mr Geoffrey Douglas, head of USM research at the stockbrokers at the companies on the main market may be even worse, says Mr Geoffrey Douglas, head of USM research at the stockbrokers at the companies on the main market may be even worse, says Mr Geoffrey Douglas, head of USM research at the stockbrokers at the companies of the main market may be even worse, says Mr research at the stockbrokers at the companies of the main market may be even worse, says Mr research at the stockbrokers at the companies of the main market may be even worse, says Mr research at the stockbrokers at the companies of the main market may be even worse, says Mr research at the stockbrokers at the companies of the main market may be even worse, says Mr research at the stockbrokers at the companies of the main market may be even worse, says Mr research at the stockbrokers at the companies of the main market may be even worse, says Mr research at the stockbrokers at the companies of the main market may be even worse, says Mr research at the stockbrokers at the companies of the main market may be even worse, says Mr research at the stockbrokers at the companies of the main market may be even worse, says Mr research at the stockbrokers at the companies of the main market may be even worse, says Mr research at the stockbrokers at

SMALL COMPANIES AFTER BIG BANG



Now they will have to shout twice as loud

By Alice Rawsthorn

development has been touted by the Stock Exchange as a triumph for the London securities mar-kel. But in recent months a series of measures have been introduced, both by the Govern-ment and the Stock Exchange, which augur ill for the junior

In the March Budget, for example, the Chancellor of the Exchequer excluded USM companies from PEPs, or the per-

sonal equity plan.

And when the Stock Exchange revised its rules on new share issues in Angust with the intention of making it cheaper and tion of making it cheaper and easier for companies to go public, it may inadvertently have made it easier for companies to join the main market rather than the USM.

In the approach to deregulation, the flow of larger USM companies "graduating" to the main market has accelerated and a series of relatively small

main market has accelerated and a series of relatively small companies which looked like archetypal USM stocks have leapfrogged over it to a full listing. Almost all have cited concern about the prospect of Uliquisity on the USM as their illiquidity on the USM as their

to be very sluggish.

For companies quoted on the USM, the problems posed by illiquidity could be compounded by the particular difficulties outlook for small companies.

the prospect of an exodus of its larger stocks to the main market after deregulation. Without them the USM may look distinctly lacklustre and the remaining companies could find it even more difficult to attract interest from the City.

The USM has a parallel prob lem in the fragmentation of the junior markets after the Big Bang. The Stock Exchange intends to introduce its Third Market in early December, and tha 60 or so licensed securities dealers who conduct the OTC market are devising plans for a new market, tha London Securi-

ties Exchange. Ostensibly a wider choice of market should be beneficial for small companies. But it could exacerbate their problems by diluting demand for small-com-

Concern about illiquidity has already prompted many institu-tional investors to reduce their investment in small companies.
"There is widespread con-"There is widespread con-cern that trading in small-com-pany shares will be difficult after deregulation," says Mr Brian Kirkland, assistant director of UK equities at the Prudential, "We have already begun to restrict our involve-ment in new issues and to com-

Port subsidies and

unfair competition

From the chief executive, River Division, Port of London Authority

Sir,—I wish to correct the misleading statements attributed to Sir Keith Stuart (September 12) in connection with Government subsidy of ports in general and the bealth

of the Port of London in

particular.

particular.

The so-called Government subsidy to London and Liverpool was, in fact, reimbursement of severance payments, most of which went to registered dock workers who, under the National Dock Labour Scheme cannot otherwise be made redundant. London and Liverpool still pay nearly half of the industry's outstanding debt to Government

ontstanding debt to Government

for severance borrowings. The scheme distorts competition between ports, but certainly not

which active, acquisitive companies can attract attention. On the main market small companies could sink without trace."

Nonetheless, the USM faces

To could be argued that such

e reaction is premature given that illiquidity may prove to be little more than a temporary In many ways the precedent set by the US version of the Big Bang, Mayday on Wall Street in 1975, is encouraging, Immedi-etely after Mayday, the larger etely after Mayday, the larger securities houses did concentrate on higger companies to the detriment of dealings in smaller stocks, but this forged an opportunity for a stream of new houses to emerge as specialists in small companies. Mayday also belped to create, abeit unintentionally, a new generation of investors in

small-company shares.
"When competitive commissions were introduced in the US, the securities houses began to move away from the institu-tional clients, which negotiated hefty cuts in commission, to in-dividuals," says Mr Gene Finn, chief economist of the National Association of Securities Dealers. "There is a greater tendency for individuals to invest in small companies and so the market for their shares has

grown and grown." This growth has continued long after Mayday. NASDAQ, the computerised dealing system which handles most small-com-pany shares in the US, traded 20.7bn shares last year, up from

6.7bn in 1980. But individual investors are much more octive in tha US than in the UK. Whila at the time of Mayday private investors held 62 per cent of US equities, that figure has since risen to over 70 per cent. In the UK that pattern is reversed, with the institutions holding more than 70 per cent of shares. Thus it will be more difficult for individuals in the UK to generate the same momentum for small-

company shares.

But it seems likely that individual investment in the UK will increase after deregulation. The London securities bonses will be just as eager as their New York counterparts to drum up new business from private investors to counter the private investors to counter the reduction in institutional com-missions. This will be accom-panied by the Government's efforts to stimulate individual

Thus there could be an influx of new investors on to the market many of whom may be amenable to investment in small companies. But all this takes companies. But all this takes time and in the intervening period some of the small com-panies coming to the market could face a lacklustre response the companies already on the market may find it difficult to trade their shares. What can they do to counter these problems? "For companies considering

going public the best advice is probably to wait," says Mr Robert Swannell, a director of the merchant bank J. Henry

Schroder Wagg.
"In the meantime they might consider a private placing. The old arguments against them were that privata shares trade were that private shares trace at a discount to those in publicly quoted companies. If liquidity on the stock market dries up for small companies then publicly quoted companies will trade at a discount too. The disadvantage of a private placing will be eroded."

For small companies already on the market visibility will be crucial. After deregulation the small company will heve to behave in many ways like a paradigm of the publicly quoted company in order to remain visible and to ensure active trading in its shares, Communications with shareholders will be essential as will appearating be essential, as will encouraging brokers to research the com-pany, attracting press and insti-tutional attention through public relations and releasing equity to improve liquidity.
"The City will always be

interested in a young, growth-hungry company with a good story to tell," says Mr Simon Metcalfe of County, "But after the Big Bang those companies will have to shout twice as loud before anyone will bother to

The Commonwealth

Britain can get along without it

By Sir Michael Butler

AS A nation, we have the endearing quality of loving our institutions - our monarchy. our parliament end many including the Common wealth. Even if everyone does not love the Commonwealth, few have been ready to question the general assumption that it is "a good thing." As a matter of principle, I would prefer to leave our assumptions about constitutional matters undisturbed. But the South African affair does make it necessary to pause for a moment and ask whether the Commonwealth remains so valuable in 1986 that it is worth paying a price to main-tain it.

tain it.

Why the South African affair? Because economic sanctions against South Africa would not only probably fail to achieve their stated purpose, damage the people they would be supposed to benefit and certainly cost Britain money, jobs and consumer satisfaction, but might well create a major might well create a major world banking crisis. If the world banking crisis. If the industrialised world cots off South Africa's means of earning foreign exchange and puts the Boers up against the wall, what else can they do but default on their debts? Tha world financial system is not well-placed to sustain e default on \$22bn of mostly short-term debt.

Before the Commonwealth

Before the Commonwealth mini-summit in August, it mini-summit in August, it seemed as though the weight of sensible opinion in the UK might be shifting in the direction of supporting sanctions because not to do so was thought to create e threat to the Commonwealth. Luckily, and perhaps foreseeeably. Mrs Thetcher's refusal to be bounced Thetcher's refusal to be bounced had no such results. But, alas, the tragedy in South Airica continues to deepen and the question of mandatory sanctions will soon arise again. So I suggest that we ought now to take a calm and objective look at the miles of the Common. at the value of the Common-wealth to the UK today. If it did not exist, would we think it necessary to invent it?

Can anyone point to an occa-sion in the last decade when the existence of the Common-wealth enabled Britain to

achieve foreign policy objec-tives which it would not have achieved otherwise? I doubt it. On most political as well as economic issues, under Labour and Conservative governments, Britain has usually either stood alone or in a small minority with tha "old" Commonwealth Australia, (Canada, Zealand). The pressure has been on Britain to change its posi-tion rather than Britain being able to use the Commonwealth to gain support.

It is argued that the existence of a forum where leaders of countries from all the continents can meet and discuss world affairs in a common language militates in favour of peace and international under-

If we had not inherited it, we would not want to create it

standing. This is a superficially attractive thesis. The trouble is that it does not seem to be borne out by the facts.

Commonwealth covernments relations are excellent often find themselves taking a position bostile to our interests or policies when they meet as a group. They hot each other up against us. This is particularly true of the African countries on North/South economic issues and South African guestions. on North/South economic issues and South African questions. I remember only too well representing the UK at a group which was drafting the economic part of the communique of a Commonwealth Heads of Communique when Mr. of a Commonwealth Heads of Government meeting when Mr Callaghan was Prime Minister. My instructions were not to give ground on the Government's position about aid and I had to stonewall all night. The developing countries behaved to exactly the same continuits. to exactly the same confronta-tional way as they would have done in Unctad or other North/ South negotiating forums. The thesis that sweetness and light

are generated by getting the Commonwealth together is hard

Does the Commonwealth help us to sell our goods or secure lucrative contracts? It is, of course, true that wa do e lot of business with Commonwealth countries. But a straw poll of a tiny but representative sample of businessmen does not lead me tu think that the existence of the Commonwealth has anything to do with this. They say that their position in these countries is based on their own long-standing efforts and would not in any way be changed if the Commonwealth disappeared overnight. Of course, it could be damaged either by an acrimonious breakup of the Commonwealth or by long-drawn out Prititle variety. do with this. They say that their long-drawn out British resist-ance to mounting Commonwealth pressure for sanctions or, still worse, by Mr Kaunda actually succeeding in getting some support for applying sanctions to the UK—luckily e dist-

So what should we conclude?

If we had not inherited the
Commonwealth, wa would not
want to create it. But it would be foolish for the UK to take the initietive to leave it or try to break it up. The others might maintain and use it against us. But it must be right to take a thoroughly hard-headed view and to promote public discussion so that Commonwealth leaders are not under the illusion that a threat to break up the Commonwealth bring the UK to heel. Ser bring the UK to heel. Sensante public opinion needs to remain calm if et any stage in the South African tragedy it seems likely to create a crisis in the Commonwealth. It would be very damaging not only to Britain's national interests but to the world banking system and therefore the world economy if any British governeconomy if any British govern-ment were to feel that the Commonwealth argument tip-ped the scales in favour of mandatory sanctions. We can live quite well without the Commonwealth but we shall live very badly with a major banking crisis.

The author, a former UK representative to the EEC, director of Hembros Bank.

Directors and shareholders

From the chairman, Carlyle Trust (Jersey)

Sir,-In relation to the Guinness affair, it is ead to think that even the Stock Exchange has recently felt the need to remind the business community that the duty of directors is to their shareholders; and this by implication should surely mean that a board should never oppose a bid in order merely to preserve its own position.

I say this with some emphasis, following a recent press report that the board of Stan-dard Chartered Bank commis-sioned Booz Allen to help prepare its defence, but that after mature consideration Boox

Allen, in effect, recommended acceptance of the Lloyds bid in the interests of the general body of shareholders. As so many people have found the Guinness affair quite sickening, I wonder what they now feel about the attitude of the board of Standard Chartered

the board of Standard Chartered Bank, if the report was correct. Perhaps longstanding share-holders in Standard Chartered will comfort themselves with a feeling that "the rescuera" described as "the gang of three," who now hold non-executive directorships, will look after all shareholders to the course of preserving their own interests, always assuming that those interests are identical.

Tha suggestion made by financial writers that the Standard Chartered Bank might be fragmented, in order to satisfy the ambitions of some of those who balped Standard Chartered to resist Lloyds Bank, is quite untenable. And I am sure that Standard Chartered would run into a lot of other troubles if such a course of action were ever attempted.

(Sir) Julian Hodge. Clos-des-Seux Mont du Coin, St Aubin, St Brelade,

Worries about radiation

From Mrs A. Barrett.

Sir.—It seems that the only people who have discounted my worries about radiation have been those with a vested interest in the nuclear industry (e.g. Mr Peter Saunders, bead of the UK Atomic Energy Authority, September 16). In May this year there was an From Mrs A. Barrett. May this year there was an incident at the Dungeness nuclear power plant in which 100 tonnes of "mildly radio-active" gas was accidentally released into the atmosphere. The industry issued a statement saying that there was no cause for public concern since the amount of radioactive gas released was only one-folth of
their regular daily discharge.
If these discharges were
emitted in the form of black
smoke and not invisible, surely

an increased risk of leukaemia
near a nuclear plant than for
saying it about "a brewery or
any other sort of establishment."

L. G. Brookes.

16 Ipswich Road, Bournemouth.

Letters to the Editor

they would not be allowed under the Clean Air Act.
Many people nowadays object to others smoking if they do to others smoking if they do not, and consequently many public areas like chemas have been declared "No Smoking" areas. Under the same analogy, why should we, the general public, be forced to inhale in the air we breathe the carcinogenic "fumes" discharged by the nuclear industry?

According to a Government statistical study, the incidence of leukaemia near the Dounreay Nuclear Plant in Scotland is 10 Nuclear Flant in Scottand is 10 times higher than normal and according to the Government-backed Natural Environment Research Council radioactive nuclear waste does concentrate. Mr Saunders undoubtedly has ar sammers undendedly has a vested interest in protecting his industry, but we mothers also have a vested interest in protecting the health of our children, and to us that means everything. Ann Barrett,

59 Hinton Avenue, Cambridge.

As much at risk near a brewery From Dr L. G. Brookes

Sir,—Mr Hills' grapeshot (September II) has a very wide spread but almost none of it bears on what I had to say. He also reveals considerable

He also reveals considerable ignorance. Radon is not "a mostly man-produced chemical arising from uranium mining." It is a ubiquitous naturally occurring radioactive gas which collects in dwellings. In some houses the dose from this source has been found to be many times greater than the maximum nermissible dose to maximum permissible dose to workers in the nuclear industry. Mrs Barrett's letter (September 12) is much more to the point but throws no more light on the grossly dispro-portionate relationship between level of concern and level of radiation from the different sources. It is true that official inquiries have found above-average incidence of lenkaemia near some nuclear plants as well as at pisces far distant from them, but none has found any evidence to connect the cases to the minute routine releases from the plants. A study under the anspices of the Centre for Clinical Epidemio-

logy at Leeds University con-

Distortion on **Docklands**

cluded that there was no more case for saying that there was an increased risk of leukaemia

the development corporation has always been that the LDDC

authorities.

The reality is that Greenwich, along with other local authorities and local communities to Docklands, is now in a

in London or Liverpool's favour.

There are other payments to
UK ports which can more
accurately be described as
"subsidies." These include
Government and EEC regional aid grants, support from local rates, debt write-offs and "soft"

rates, deor write-ons and suft loans. Most UK ports, including Associated British Ports, have benefited from one or more of these "subsidies." Associated British Ports, have benefited from one or more of these "subsidies."

Compared to the government subsidies enjoyed by our EEC competitors, subsidies to UK ports are insignificant. In my view, they have little overall impact on competition between UK ports.

As to the suggestion that London is a port heading for "ultimate decline" lit the facts

UK ports.

As to the suggestion that London is a port heading for "ultimate decline" let the facts speak for themselves. London has tucreased its trade by 5m tonnes (12 per cent) over the past two years and remains far and away Britain biggest non-oil port. The message for your readers, our competitors at home and in Europe and our enstomers is that the Port of London is alive and intent on London is alive and intent on carving out an increasingly healthy future. D. J. Jeffery.

Europe House, World Trade Centre, El.

From the chairman, Docklands Consultative

Sir,—Joan Gray's article
"Bid to delay Canary Whari
scheme falls" (September 16),
is misleading. To state that
the London Borough of Greenwich and other local authori-

their action. [upon finding] that a modified version. had already been given detailed planning approval by the London Docklands Development Corporation is a distortion of the facts.

The article portrays the events in the High Court on September 15 as a defeat for the borough. This is far from so, Greenwich's case against has side-stepped the demo-cratic planning system—ignor-ing the Greater London Development Plan — and has failed to consult with local

better position to push its case. The Master of the Rolls case. The Master of the Rolls was so annoyed with the LDDC at the court hearing—not least of all for trying to waste the court's time — that Greenwich's appeal costs were awarded against the LDDC.

The "little change" within the new plans for the position of one of the three 850 ft towers to which the article refers, is further illustration of refers, is further illustration of the draconian and authori-tarian manner in which the LDDC plans for Docklands. Why was Greenwich not told of the change, given that the LDDC knew that the council's objections specifically related to the siting of these towers? This time the LDDC has trip-ned up.

ped up. Greenwich now has three Greenwich now has three months to appeal against the "new" proposals. And, as Mr Norman Adams, Greenwich

Unequal treatment on retirement From Mr M. A. Siddigui

Sir,—Eric Short's article,
"Reaching the age of pension
equality" (September 15)
makes no reference to differential treatment for men and women retiring from the Civil Service, some public corporations and the recently privatised British Telecom.

In these services the retirement age is 80 for both men and women. Whereas the women are entitled to draw state pension soon after their retirement, the men have to wait until reaching the age of 65. They are not entitled to draw even unemployment benefit and have to live on their company pension, howsoever small it may be. M. A. Siddiqui.

New command system



A Royal Navy tactical command and control centre futted with Pleasey intelligent display of

FOILING THE PIRATES

Plessey research has produc cals that leave an invisible mark on manufactured goods. They can protect against

counterfeiting currently cost-ing over £40 billion a year. Keen interest has already been shown by manufacturers

of video tapes, plane tickets and sports events tickets. The chemicals also have great potential for currency, nassports, travellers cheques and credit cards.

System X and kenya

Included on the Plessey Stand at the Africa Telecom exhibition recently in Nairobi was a special display of System X. Plessey is prime development contractor for System X, with responsibilities for selling it abroad.

Plessey has been chosen to provide a £3 million Action Information System for the assault ship, HMS Fearless. The system, to be known as NAUTIS-L, will improve significantly the ship's capability in amphibious warfare and self-defence.

ADVERTISEMENT.

NAUTIS-L for HMS Fear-

less comprises seven NAUTIC consoles. The consoles are networked,

using a military standard data highway to maintain a replica of the command system database which is available independentity to each console user.
For HMS Fearless,
NAUTIS-L interfaces with

surveillance and navigation radars, IFF, helicopter transponders, navigation sensors and plotting table system, as well as self-defence weapons, to integrate comprehensive tactical presentations to the command team,

Automatic tracking

NAUTIS systems are based aircraft, helicopters and surface on NAUTIC - the Plessey units is provided in each Naval Autonomous Intelligent console. This contract is the second

successiva win for NAUTIS systems for Royal Navy command and control under the competitive procurement policy of the MoD.

The first, NAUTIS-M, is now in advanced development for the RN's new minehunters. The order will enhance further the already considerable export potential for NAUTIS-based systems.

The modular architecture of NAUTIS allows the NAUTIS-L consoles to be re-used with minimal development in system variants, comprising one or more NAUTIC consoles, for amphibious warfare and other ship applications.

The height of high technology.

PLESSET, the Pleases symbol, NAUTIS and NAUTIC are trade marks of The Pleases Company pic.

Persian: Gulf payphones pay off

Seven hundred Plessey intelligent payphones installed in the Persian Gulf are currently proving that the operation of public telephones can be highly

profitable. The income from each payphone averages well in excess of £800 per month. The owners have had to organise three coin collections daily.

This startling return on investment results mainly from Plessey payphones permitting direct dialled international calls, and accepting all countries' coins in use in the area. including high denominations. These features have been

put to highly convenient use by the many expatriate workers from India and Pakistan who have no private phone access. An order for a further 400 payphones for the area has now been placed with Plessey Telecommunications Products in

its Choriey plant. **NEW ORDERS**

Liverpool, for manufacture at

Such has been the success of the Plessey range of payphones that in just twelve months since its formation, Plessey Telecommunications Products has grown to dominate world markets, selling more than 150,000 in a score of countries in all five continents.

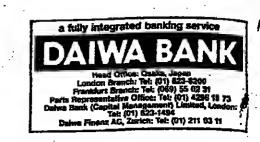
Further new orders - from Puerto Rico, Spain and Bahrain -are worthin excess of £750,000 for over 600 payphones for initial trials.

Plessey experience indicates that trials sooo lead to supply in large quantities, since usually it does not take long for an authority to appreciate the higher operating profits.

In the UK, British Telecom has ordered replacements for most of its 80,000 public telephones with models from the Plossey payphone range.

FINANCIAL TIMES

Wednesday September 24 1986



Marine Midland to buy First Penn for \$585m

By William Hall in New York MARINE MIDLAND Banks, major-

ity owned subsidiary of Hongkong and Shanghai Banking Corpora-tion, plans to pay at least \$585m for First Pennsylvania Corporation in a move which will considerably strengthen its position in the North-

Philadelphia-based First Penn-Philadelphia-based First Penn-sylvania is the parent of the oldest US commercial bank, which has been slowly recovering after being rescued by bank regulators in 1980. With assets of \$5.6hn, First Penn-sylvania is the third largest Philad-elphia bank and the first bank in the state to announce plans to merge with a major New York bank.

The proposed merger is the latest in a string of deals in the north-east and reflects the crumbling of barri-ers to interstate banking within the

region.

The transaction is subject to a number of conditions, including receipt of required regulatory approval, and is expected to occur within a year after the date when interstate banking between Pennsylvania and New York becomes permissible. On the basis of current banking laws, the merger would be permitted af-ter March 4 1990.

As part of the agreement, Marine Midland will invest up to \$150m in First Pennsylvania, including \$100m of newly issued series B preferred stock and \$50m in additional preferred stock or debt obligations. In addition, First Pennsylvania is issuing stock purchase warrants to Marine Midland Exercisable at \$7.70 a share, which if exercised would give the New York bank a

At the time of the merger Marine Midland will acquire First Penn's outstanding shares for a cash price equal to the greater of \$15 a share or \$11 a share plus double the in-crease in first Pennsylvania's retained earnings a share from October I 1986, subject to certain adjust-ments. First Pennsylvania shares rose by \$1% to \$9% in early trading

First Pennsylvania will use the proceeds of the stock issues to reduce outstanding common stock tible preferred stock. Mr George Butler, First Pennsylvania's chairman, said that the deal would "provide an immediate improvement" in the group's capital structure. He would recommend the reinstitution of cash dividends which were suspended after the bank ran into fi-

Britain and US unveil plans to curb fraud

Continued from Page 1 of the protection afforded by their domestic laws. In particular, the SEC sought the right to subpoena witnesses and documents in foreign

Yesterday's agreement with the UK, which was reached after nearly six months of negotiations, marks a retreat from that position. The memorandum will require no change in UK or US domestic law and will thus give the authorities no right to examine bank accounts, or to search for and seize documents, when investigating frauds commit-ted outside the UK.

The Trade and Industry Department believes that an agreement containing such provisions would arouse strong opposition from civil liberties groups even though it might also meet some of the criticisms of the Roskill Committee on fraud trials earlier this year which highlighted the difficulties of obtaining evidence on fraud from

According to Mr Michael Mann, chief of the SEC's office of international legal assistance: "The agree-

World Weather

Pretoria hopes Reagan will veto sanctions

BY ANTHONY ROBINSON IN PRETORIA

said, however, that the package had positive aspects and that Pretoria still hoped for a veto by President Ronald Reagan. He noted that 34 Senate votes

Ronald Reagan.

He noted that 34 Senate votes were required to sustain a veto and added that it was regrettable but likely that President Reagan would have to stiffen the sanctions measures included in the existing extensions are neavyly innuraries and manipulated by the South African Communist Party.

Mr Botha also welcomed reports from Washington that the US was considering a \$500m aid package to the front line states likely to be alhave to stiffen the sanctions mea-sures included in the existing ex-ecutive order in order to gain the table ... it will harm us but not kill Beira.
us," he told a news conference. The

Mr Botha said that the proposed legislation contained a number of "positive provisions" which the South African Government supported. Among these were the call on the African National Congress "South Africa is painfully aware"

MR PIK BOTHA yesterday rejected the US congressional sanctions package as "unwarranted foreign interference in South Africa's internal affairs." The Foreign Minister said, however, that the package had the ANC and the extent of communist influence on the ANC, the Park African congression of the need for development in southern Africa and anything which can be done to help our neighbours is welcome. We just hope that it is real and substantial, not just a token," he added. communist influence on the ANC, the Pan African Congress and other anti-apartheid organisations which Pretoria claims are heavily infiltrat-

fected by sanctions against South Africa, and specifically US assisrequired number of votes. If the Africa, and specifically US assissanctions bill survived the expected tance to upgrade the railway beveto, however, and became law "we tween Harare, the Zimbabwe capiare prepared to accept it as inevi-tal, and the Mozambican port of

The corridor is guarded at pres

After repeating South Africa's policy of not imposing counter sanctions, Mr Botha qualified this position: "I cannot say that in certain cases South Africa will not react by introducing an import licensing sys-tem." He singled out Denmark and Sweden, both of which have announced embargos on South Afri-

Asked about last weekend's sepa-rate meetings between Mr Oliver Tambo, the ANC leader in exile, Sir Geoffrey Howe, the British Foreign Secretary and Mr Chester Crocker, US Assistant Secretary of State for African Affairs, Mr Botha said be hoped that both men had fully ex-

Cracks show in French unity over Chirac terrorism strategy

BY DAVID HOUSEGO IN PARIS

THE POLITICAL consensus in France over the handling of the terrorist issue appeared to be fraying at the edges yesterday after critical remarks by the Socialist Party that the Government was failing to keep public opinion sufficiently in-

Mr Lionel Jospin, the First Secre-tary of the party, said that the Gov-ernment should provide more infor-mation on "what leads it is following, what assumptions it is working on, and what went wrong on the diplomatic level" in the Middle

His remarks reflect Socialists' fears that in rallying to Mr Chirac's call for national unity against ter-rorism, they have provided him

BY JOHN HUNT IN LONDON

on Monday during Labour's annual conference, Mr Weinberger says that the party's anti-nuclear de-fence policies risk the break-up on the North Atlantic Treaty Organisa-

not US, installations.

Continued from Page 1

is being developed for a first strike," Mr Shevardnadze said, re-peating an old Moscow argument. "The first strike may become the

last one and not just for the country

He renewed Moscow's willing-

ness to sign at any time, anywhere

a treaty on a total prohibition of nu-

Despite his remark about "evil designs," Mr Shevardnadze'a tone was much more restrained than

clear weapons tests.

MR CASPAR WEINBERGER, the
US Defence Secretary, was the centre of a row with Britain's Labour
Party last night over criticism of the party's unilateralist nuclear weapons policy which he makes in a BBC TV programme.

In the interview, are believed to have been leaked by the Pentagon, where officials are worried at Labour's anti-nuclear stand.

Mr Weinberger's remarks brought an angry response from Mr

He argues that the stationing in "I think that Mr Weinberger is the UK of F-111 bombers capable of very anti-Labour," he said. "He'a an-

dropping nuclear weapons and the ti social democracy in general. Con-bases for cruise missiles and nu-clear submarines are in fact Nato, these sorts of things about each oth-

It is highly unusual for members and they must continue to deal with of a government of a friendly power one another."

with too open a cheque.
The Socialists' criticism on the lack of informatioa comes at a time made clear whether it believes the wave of recent bombings was mainly the work of the Lebanese Revolunary Armed Faction (the theory favoured by the police) or whether it stems from a larger movement of Middle East terrorist groups and

The Socialists' unease also comes at a time when there are increasing recriminations among the political East.

Mr Jospin, who along with other leaders of political parties, saw Mr Jacques Chirac, the Prime Minister, last Friday, said that what he had been told by Mr Chirac is "not sufficient."

parties over and hostage diplomacy is that have made France prey to terrorist attacks. On the wider diplomatic issue – including the French position over its peacekeeping forces in the Lebanon – Mr Chirac will arrive the Government's current the government's current. ed Nations in New York today. ferred to the hi Meanwhile, Syria yesterday prison in Paris

brought an angry response from Mr Denzil Davies, Labour's defence spokesman, who described them as

a crude attempt to swing British public opinion against Labour in fa-

er because governments change

your of the Conservatives.

Shevardnadze attacks Star Wars

responsibility for the terrorist at-tacks Mr Farouk Shareh, the Syr-ian Foreign Minister, said that he was shocked by what he called "the anti-Syrian campaign in the French press at a time of improving ties between the two countries.

The Socialists' political discomfort is also due to their belief that

the terrorist issue is strengthening Mr Chirac's popularity and dimin-ishing President François Mitterrand's power. In an effort to main-tain the President at the centre of the stage, Mr Pierre Beregovoy, the former Finance Minister, implied over the weekend that the President should be given exceptional powers if the situation worsened.

All three of the terrorists whose ces in the Lebanon - Mr Chirac will release is being sought by those outline the Government's current policy when be addresses the United Nations in New York today.

terrent would be scrapped, Ameri-

can nuclear bases closed and terri-torial waters forbidden to US ships

carrying nuclear weapons.

But Mr Davies maintained that

Labour remained loyal to Nato and if elected would continue to commit

95 per cent of Britain's defence

Mr Neil Kinnock, the Labour Par

ty leader, is expected to appear on

Weinberger's TV attack sparks

row with British Labour Party

Under Labour's defence policies, Britain's independent nuclear de-

Britain's largest building socie ties reported yesterday that people had been running down their depos-its to pay for TSB shares. Some es-timate that withdrawals from the building societies alone would cover the whole of the £750m partly-paid

Mr Tim Melville-Ross, chief ex-ecutive of Nationwide Building So-

two years ago.

Philip Stephens writes: The Bank
of England is not expecting the TSB

The huge build-up of banking de posits before the sale, however could cause distortions in the Gov ernment's targeted measures for the money supply. The British Tele-com sale in November 1984 is

TSB issue bout of flotation fever

By Richard Tomkins and Hugo Dixon in London

gripped by flotation fever yesterday as thousands of investors prepared last-minute applications for shares in the £1.5bn (\$2.17bn) offer for sale of the Trustee Savings Bank (TSB).

As today's 10 am deadline loomed, TSB reported an extraordinarily high level of interest in the issue and said people had been flooding into its branches throughout the extraordinary high level of interest in the same and said people had been flooding into its branches throughout the extraordinary than a level in the same in head in the same in the sam out the country to hand in their ap-

plication forms.
In the City, London's financial district, queues of would-be investors stretched for up to 150 yards outside the TSB's Cheapside and Lombard Street branches. Small investors with applications for shares worth about £1,000 seemed to be heavily represented in the greater. heavily represented in the queues, but some people were writing out cheques for six-figure sums.

Mr Richard Bing, TSB communi

was delighted with the response so far and that the level of interest seemed to have increased substantially in the last few days.

"It think this is partly because

Ten designated branches of Britain's leading commercial banks will be receiving last-minute applica-tions this morning - seven of them in London and the other three in Edinburgh. They are expecting to be busy and will open their doors to applicants at Sam, or even earlier if queues begin to form. Mounted po-lice will be on patrol to help with

thought to have caused erration Estimating the possible size of any distortions, however, will be from regarding our relations with the United States as holding no promises," he declared "Lately, encousing outlines of meaningful discussed the matter again today, and chaque returns are clearer.

gives UK

people have become aware that the deadline is approaching and partly because of press comment in the last week suggesting that the issue is going to be a sure-fire success," he said.

Mr Bill Paine, senior registrar at Mr fait Paine, senior registrar at Lloyds Bank, the lead receiving banker, said ugly scenes as the deadline aproached would be avoided by allowing everyone who joined the queues by 10 am to deposit their application forms whether they were through the doors by that time or not.

The TSB repeated its warning that tough action would be taken against people who submitted multiple applications. All cheques attached to suspect forms would be cashed before being returned, and clear cases of multiple applications would be passed to the Director of Public Prosecutions.

We are taking a very harsh line on this; we want to make absolutely sure there is no cheating," the bank

spending to the affiance.
Pentagon officials have told US
journalists that the Weinberger inciety, said tens of millions of pounds had been withdrawn in the terview contained the strongest warning any leading US official has given about Labour's defence polilast week and that the effect oa building society deposits had been more dramatic than it was just before the British Telecom flotation the Panorama programme next Monday and to strongly deny Mr Weinberger's assertions.

sale to create any particular strains in London's wholesale money markets tomorrow. Unlike previous privatisations, there is no flow of cash from the banking sector to the

UK steps in to defend pound

years at the UN. Although he characterised Mr Reagan's speech as propagandistic, be said he did not himself want to engage in polemics.

He made a brief reference to the united States side was the united States side when the control of the case.

proposed second summit meeting between Mr Reagan and Mr Mikhail Gorbachev and refrained from criticising the US position on the case of Mr Nicholas Daniloff, the US reporter who was arrested in Moscow and accused of spying. The US has

this. Let me say that we are far termed the case an obstacle to an

Continued from Page 1

are already well above those of its ness was wearing off by the end of major competitors, a further rise the day.

financial markets on the general di-

London at 69.7, 0.2 higher than on rates.

ism. Britain does not belong to the joint currency float, but it is was busy with a higher than usual thought that the Bank of England volume of pound/D-Mark activity. was given a tacit pledge of assistance from other central banks.

Although the Bank of England's interest rates ling, some dealers felt the effective-

could send the pessimistic signal to
The vulnerability of sterling has come at an awkward time for the rection of borrowing costs

Following the intervention, described in Whitehall as relatively modest, the pound, which had earli
Monetary Fund, the US is expected er dropped to a record low of 69.0 on to step up pressure on European its trade-weighted index, closed in governments to lower their interest

Monday. The Government had planned to use the IMF meeting to remind volate New York trading to \$1.447 and ters that this year marks the 10th

The then Labour Chancellor of the Exchequer, Mr Denis Healey, was forced to turn back from London airport on his way to Washing ton to cope with the crisis and even tually to negotiate an IMF austerity package. The present weakness of the pound, however, has led to sug-gestions in Whitehall that it migh not be advisable to make too much of the anniversary.

Stewart Fleming in Washington writes: Dr Beryl Sprinkel, chairma of the White House council of eco nomic advisers, said yesterday tha the expects "gathering strength in economy activity" in the US econoTHE LEX COLUMN

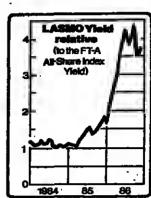
The Colonel's used car

After the largest rights issue in Italian stock market history in April, Fiat looks set for the largest secondary market equity issue any-where. It is clear that Libya is sellwhere, it is clear that Libya is seling its splendid counter-cyclical investment, at over 10 times the original cost (excluding rights subscriptions), and that Deutsche Bank — the established specialist in heavy humps of motor equity by appointment to Daimler Benz — will be relating a particular yound the world placing a portion round the world.

The markets were quite happy to make up the rest of the story. While Frankfurt was chasing up Deutsche Bank's share price, Fiat was rising in Milan at the lifting of a substan in Milan at the lifting of a substantial political hurden and there was talk of arbitrage opportunities on a discounted placing in the bourse. Though the Fiat holding company and its friends are expected to take a good portion of the issue, the markets outside Italy may still be asked to absorb over \$2bn in Fiat equity.

Fiat has been doubling its earnings with metronomic regularity for three years and will probably do so again this year. Whether the Liby-ans are simply calling in their downstream investments to replace lost production revenue, or are fear-ful for their overseas assets, the divestment makes every sort of fi-nancial sense. No doubt the good colonel has come to the conclusion that a price/earnings multiple of 16 does not adequately discount Fiat's heavy dependence on a protected domestic market and the somewhat slower growth in store.

The market was nicely prepared for a cut in Lesmo's interim divi-dend. But the omission of any payout at all, and no indication whatsoever about the final, was a genuine ever about the final, was a genuine shock, sending the share price down below £1 before recovering to 110p down 7p on the day. It does seem odd that having earned 3.4p per share, Lasmo could not at least have paid 1.5p, representing a dis-tribution of the £2.3m of dividends that it will receive as 29.9 per cent shareholder in Enterprise Oil, But even if Lasmo proceeds to pass on all its franked income in the form of a final dividend, it is prospectively yielding barely 4 per cent, which



Lasmo can possibly justify its cau-tion. Although cash-neutral in the first half, the second half could see an outflow of £15m, even after re-ceipt of the same sum from the sale of the Dutch North Sea interests. The real point is that, with Rio Tin-to-Zinc blocking predators with its 27 per cent stake, the company feels trading hours, selling both dollars free to spend discretionary cash on and D-Marks, had at least the virsuch ventures as its Indonesian ex-ploration programme. Lasmo claims that this year it may have increased its reserve base in that country by about 20m barrels which will cost less than \$5 a barrel to bring into production. The problem is that the time has long passed

when the Lasmo share price can be

ramped by circulating maps of the Malacca Strait dotted with oily

It seems that Lasmo has given up its plans for a merger with Enter-prise Oil, and on December 15 it will be free to dispose of its stake in that company. Although RTZ has first refusal, it would by then be possible for British Gas to make an approach for part of the assets which it so much resented losing. If RTZ does not have a clear run at Enterprise, its deal to swap the stake in Enterprise for one in Lasmo looks even more dubious; since it was struck Enterprise's share price has dropped by 14 per cent, Lasmo's by 52 per cent.

Lasmo has joined the list of oil companies who have refused to concede the necessity of making substantial asset write-oils. Clyde Petroleum has broken with this tradimight be necessary. But since the yield - it is the TSB.

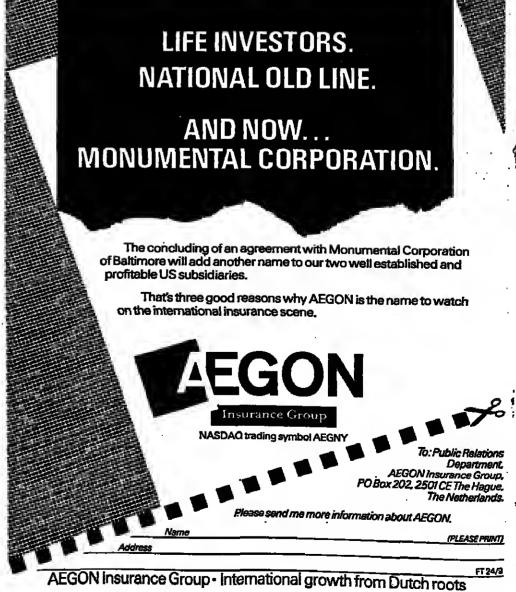
Clyde's shareholders' funds world still greatly exceed its present mar-ket capitalisation, it can afford to be

Sterling

Enough is, evidently, enough. The huxury of watching the market grind out of balance between dollar and D-Mark was pleasant while it lasted. So long as the pound was holding up reasonably against one of these currencies, its movements could be rationalised as mere friction in the foreign exchange ma-chinery. Once it started to fall against both sides at once, there was no dismissing the fact of ster-ling's weakness: at an effective rate below 70, and sliding, further acquiescence from the authorities would have begun to look like offi-

cial encouragement to sell. Yesterday's demonstration that the central bank was prepared to take on the forex markets in peak tue of being a clear indication that a prolonged sterling devaluation is not the Bank of England's mandate. But apart from its value as a signal, the intervention was of very shortlived value; the bounce in sterling was flattened out by the markets in a matter of hours. If the Bank is to make its point, it may have to repeat the dose, and try for better timing. An early-morning ambush in the East, perhaps?

The alternative of punishment by rising interest rates is at present even more inconvenient than usual Apart from the fact that widening international rate differentials in the bond market have already failed to hold the exchange rate, the Bank has to consider the back-ground of a Conservative conference and the sale of British Gas. Maybe the interval between these two events might be the point at which base rates could be driven up, in order to stiffen the currency and provide a graceful slide down towards the Gas flotation. The trou-ble with that idea, familiar and comforting as it may seem, is that quite high enough already, and the Duke of York trick would be seen for what it is. The difficulty about tion by stating openly that a year for what it is. The difficulty about end extraordinary loss of £25m selling gilt-edged these days is not



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Trouble looming for UK professional people

IT IS a safe bet that while many readers will be professionally qualified Europeans, few will be unknown to do the same in all of the offices, whether in a safe will be unknown to most of the people who stand to be affected may at first seem a bit of a mystery, because the fact that the intervention has been under way for the past quarter century or so. But the mystery is cleared up by the fact that the intervention is being attempted by the European Economic Commission, which has notorlous of its member countries intervested in its activities no matter how much it spublicless them.

The typical shookness of the British professional on the current of the past qualified to be affected to be successed them.

The typical shookness of the British professions on the past qualified by one of the EEC states, Since the draft directive covering engineers, begun in setting to bottle fog. The current of the states, the covering engineers, begun in a setting to bottle fog. The current of the states, the covering engineers, begun in a setting to bottle fog. The current of the states of the second to the same in all of the endown professional that the covering engineers, begun in a setting to bottle fog. The current of the setting to bottle fog. Th much it publicises them.

The typical alcoeness of the British towards goings on elsewhere in Europe was long ago

The typical sloodness of the British towards goings on elsewhere in Europe was long ago symbolised by the newspaper headline: "Fog in the Channel trated on particular professions cuts off Continent." It is not only the Brits, however, who are less than electrified by the machinations of the EEC.

Hence one of the main resolutions passed by leaders of the European Economic Community's countries at their meeting two years ago. They decided, that the community still meant little or nothing to most people nominally belonging to it, and that it must do something quick to make them prick up their ears. And hence in part the sudden looming of the long rumbling intervention.

Its time-honoured aim is to particular professions with a view to getting each of their European branches to their European branches to their European branches to their European branches to accept the others qualifications as licences to practise.

The first professions with a view to getting each of their European branches to their European branches to their European branches to their European branches to except the others qualifications as licences to practise.

EEC. "directives"—was mediting. They decided to make them prick up their ears. And hence in part the umbrella. So, after years of bickering, were architects.

But the process of bringing Its time-bounded sim is to

trying to pick professions off piecemeal, it decided to bring them in all together.

To that end it has now published the draft of a general directive which would give community-wide rights to practice to all people whose professional qualifications measure up to certain specified yardsticks.

So if the directive were put into force, it would seem that a lot of British professional workers would be barred from practising elsewhere in the EEC at the same time as being exposed to competition in their homeland from professionals from other European countries.

As yet, of course, the directive were put into force, it would seem that a lot of British professional workers would be barred from practising elsewhere in the EEC at the same time as being exposed to competition in their homeland from professionals from other European countries.

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The first profession in which yardsticks.

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The trouble is that the most coincil. The trouble is that the most coincil. The profession in which yardstick chosen by the Brussels-based Eurocrats is that the House of Lords are professional enough to practice were also brought under the umbrella. So, after they have successfully completed at least three years of bickering, were architects.

But the process of bringing the profession in which is profession in which yardstick and the entire of the house of course, the directive has not been implemented. Another fortunate thing from the viewpoint of Brits who they developed the visitors a year. To achieve the launching, however, it needs an executive director.

The trouble is that the most they have successfully constitutes is that the most they have making and the adversely affected an executive director.

The trouble is that the most they have successfully and the viewpoint of Brits who they developed the visitors a year. To achieve the launching, however, it needs an executive director.

The job — being offered through John Holliogdale of the process and technical was required to the process and technical the commission to scrap the studies yardstick and the adversely affected an executive director.

The trouble is that the most they have successfully an extension of attracting 200,000 of at

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The company is keen to provide opportunities for growth within the organisation and the Assistant

Treasurer's position will, depending on performance, offer an excellent career progression. The successful candidate will be a well-rounded professional who has demonstrated the resilience and flexibility to work in a task oriented, committed environment.

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required to drive forward the development and practical implementation of new products. The ideal candidate will be aged 37-45 years, have

considerable knowledge of and experience in the financial sector and be able to combine proven creative skills and flair with a high degree of profit The compensation package for this senior post is in

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Applicants will be considered alongside internal For further details of this position, send in complete confidence a full C.V. including details of your

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Based in the London office, you will be responsible for the identification and development of new business amongst institutional investors in the UK and Europe, as well as for maintaining and developing

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Interested applicants should contact Sally Poppleton or Andrew Stewart on 01-404 5751, or write to them enclosing a comprehensive curriculum vitae at 39-41 Parker Street, London WC2B 5LH.

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The Institute of Directors is seeking a Head for its Policy Unit to replace Graham Mather, who leaves in December 1986 to become General Director of the Institute of Economic Affairs.

The Head of the Policy Unit reports to the Director General. He or she plays a crucial role in:

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Communicating these policies to Government, business and the public. Leading the Unit and organising its work.

Candidates will have a deep interest in public affairs and a good understanding of economics at both national and enterprise level. They will be at ease on a public platform and be able to articulate their ideas clearly and simply, both orally and in writing. They will probably be between 30 and 35, although age is less important than energy, intellect and the ability to lead a team.

Those who wish to be considered are asked to write, enclosing a curriculum vitae, to: Sir John Hoskyns, Director General, Institute of Directors, 116 Pall Mail, London SW1Y 5ED.

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Morgan is a world leader in technologically advanced materials and components used in a wide variety of industries. The Group is seeking an experienced senior financial manager to head up the small team providing analytical support to the Board. Key responsibilities will be reviewing the performance of existing investments and identifying International growth opportunities.

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Applicants will also need to display a sound commercial acumen, interpersonal and communication skills combined with flair and proven

A remuneration package will be provided commensurate with the seniority of this position.

Please send curriculum vitae marked confidential to.- Andrew McIntosh, Group Personnel Advisor, The Morgan Crucitale Company pic. Chariath House, Victoria Street, Windsor, Berks, SL41EP. Tel. 0753 850331.



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work with him as designate for the preceding three months.

The Company is a statutory water company providing the public water supply to % million domestic consume and industrial and commercial customers in north west London and south west Hertfordshire. It is based at Watford with a workforce of some 340.

It is expected that the successful candidate will be between the ages of 40 and 50 at the time of appointment. A pro-fessional qualification in a discipline appropriate to the Water Supply industry is essential. Experience in that industry will be an advantage but most important will be proven experience of successful

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management at top or very senior level in a multi-disciplinary organisation with increasing involvement of new technology. The Company has undergone major organisational change over the past three years in its continuing desire to improve its efficiency and service to the public. The person appointed to this post will be expected to head and develop the new

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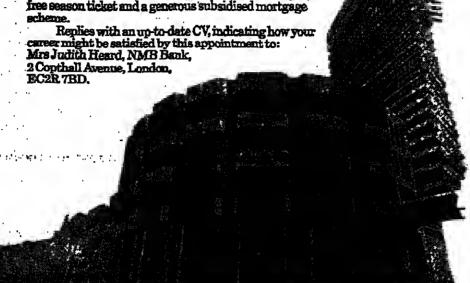
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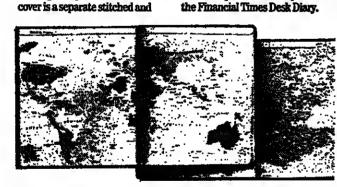
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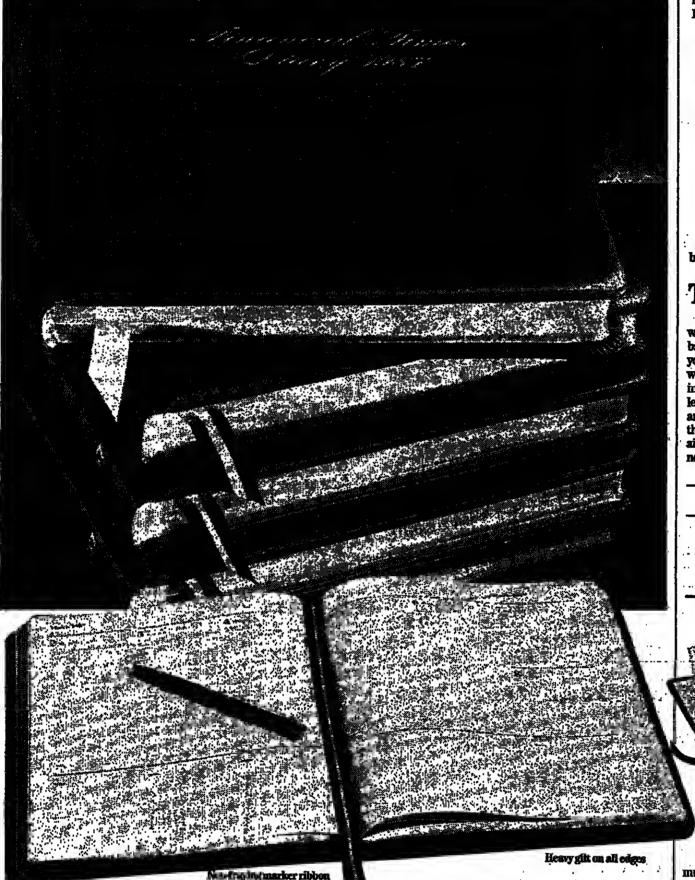


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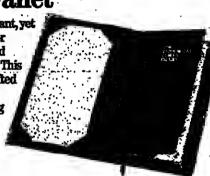
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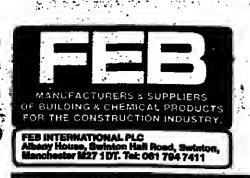


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SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Wednesday September 24 1986



Ryan Homes faces \$292m bid offer

BY ANATOLE KALETSKY IN NEW YORK

N. V. HOMES, a small housebuild-houses and had a turnover of \$114m and operating or the Washington DC area yesterday launched a takeover hid worth \$292m for Ryan Homes, a much larger US house.

NV's hid would have to be fi-

Although Ryan refused to com-ment on the \$45 a share offer, the stockmarket interpreted NV's move as only an opening shot in a poten-tial bidding contest and marked up Ryan's shares from \$43 to \$50% in

NV's shares, which are quoted on the American Stock Exchange, also jumped by \$2% to \$13. However, NV's offer was hedged about with several conditions which cast some doubt on its bid.

NV is a much smaller company already or than Ryan. In 1985 it sold only 785 an's stock.

notit was \$22m.

NVs hid would have to be financed largely through new horrowings and the company said yesterday that its tender offer was conditional on adequate financing be-

ing obtained. In addition, Ryan's directors have put in place a "poison pill" defence, which gives them stock purchase rights in the event of an aggressive takeover bid, and NV's tender offer is also conditional on the Ryan board redeeming these rights.
Nevertheless, NV said yesterday that it expected to begin its tender offer within the next five days and already owned 6.7 per cent of Ry-

BCI lifts earnings 42% in first half

BY ALAN FRIEDMAN IN MILAN

NET PROFITS rose 42 per cent in the first six months of the year at Banca Commerciale Italiana (BCI) to L64.7bn (\$46.6m), the bank an-

ounced yesterday.

The bank, which is controlled by the IRI state holding group, made a L101.3hn net profit for the whole of last year.

last year.

The gross operating profit in the first half of 1986 was 43 per cent higher at L402.8bn. This level, the bank explained, was reached despite lower interest rates on loans. as a result of an increase in funds under management and a reduction

BY SARA WEED IN STOCKHOLM

BCI said it set aside L338.1bn to provisions and transfers to reserves during the first half of this year 43 per cent more than in the equiva-lent period of 1985.

BCI also announced plans to open new representative offices in Am-sterdam and Shanghai. The bank at present has 19 such offices and has announced plans to open three more in Lisbon, Munich and Bombay. In Italy the network consists of 447 branches and 12 overseas branches. The BCI workforce includes 18,805 people to Italy and 818

BCI sells US unit, Page 22

General Electric launches new unit

By David Thomas to London

GENERAL ELECTRIC of the US has created a new information and deations unit which, on last

The unit arises from the merging of several GE divisions with divi sions of RCA, which GE took over earlier this year. It will offer both information services and access to physical networks, such as satellita links.

The main companies in the new unit will be Geisco, GE's information services subsidiary, which claims to operate the world's largest commercial network, and BCA American and Globecom which operate satellite-based services remarking in the JE and the matter. spectively : the world. ely in the US and the rest of

Mr Anthony Craig, new pre of Geisco, said yesterday that the combination of Geisco's private networking activities in 35 countrie and Globecom's agreement with most telephone authorities would leave the new business better placed to compete in the US, Japan

• Geisco's UK subsidiary ye day announced the extension of its Motornet network for the electronic interchange of business information to the motor industry outside

in inture, members of Motornet which is run under the sponsorship of the Society of Motor Manufactur-ers and Traders, the UK trade association for the motor industry, will be able to communicate electronically with motor companies to Europe, and ultimately in the US and

Japan too. Geisco said that the Motornet network allowed motor companies to order components much more ef

Pharmacia in US sales deal

ution rights to certain Pharmacia Under the confract Pharmacia acquired 6.1 per cent of Electro's shares, but later increased its stake to 10 per cent by buying on the open

market. Pharmacia is negotiating

for a larger stake in Electro.
Electro has bought exclusive US

PHARMACIA, the Swedish pharmacia accurring and biotechnology group, allergy and diagnostic lines, paying acquirement field, which is what the contract which gives Pharmacia a would make \$10m to \$12m in the stake to the US group, which in current tax year in revenue from Pharmacia's marketing base in the

Electro sells diagnostic tests for infections diseases and clinical chemistry systems to hospitals, clinics and blood banks in the US. The two companies plan to begin joint research for new imminodiag-

nostic products.

Pharmacia's marketing base in the US, and its present sales staff will join forces with Electro's sales

Pharmacia's sales totalled SKr 3.4bn (\$493m) last year, of which about 36 per cent, or SKr 1.2bn, were in the US, their biggest mar ket Sales for the diagnostics divi-"Pharmacia's perceived weakness sions were SKr 705m in 1985.

Thomson director to head Valeo

BY PAUL BETTS IN PARIS

MR NOEL GOUTARD, managing director of Thomson, the French nationalised electronics and defence group, will become the new chairman of Valco, the leading French car components group now under the management control of Mr Carlo de Renedetti.

Ar Goutard, who up to now has been number two in the Thomson hierarchy behind Mr Alain Gomez, jor effort by the Olivetti chairman over at the head of Valeo from the beginning of next year when Mr Andre Boisson, the current Valeo

Mr de Benedetti acquired almost food sector.

The acquisition of the Valeo stake to step up his presence on the French market. Mr de Benedetti is also actively looking for other ac-quisition opportunities on the French market especially in the

· Mr de Benedetti had indicated that a leading French manager would be selected as his candidate to head Valeo which the Italian the focal point of a major new European car components group to com-pete with Bosch of West Germany.

Mr Goutard became Thomson's managing director in 1963 after the nationalisation of the defence and electronies group. He had previously been assistant managing director of the Chargeurs transport group

Compact disc software launched

selling financial information on compact discs, making it the first major software company to enter the emerging market, AP-DJ reports.

VIESS for storing computer information.

Lotus, the biggest independent software concern, said its new one source product would include as to subscribers weekly many as eight data bases of information.

Depending on the number of data bases a user wants, Lotus said, it will charge from \$11,000 to \$27,000 a year. It plans to mail updated discs to subscribers weekly

Compact discs are mostly used for playing music. But recently, they have attracted attention as de-

mation about stocks and bonds. It said users would be able to recall 20

sion, said Lotus expected to sell the service to banks, money manage-

net gain of C\$7.2m from the sale of

inco plans to spend \$40m in the next two years at its Sudbury, Ontario operations to electrify Crean Hill partly to mechanise its copper

ket.

C\$30 a share.

Domestic operations have stabilised after another round of ration—

in industrial holding company

State of the control of the control

Alusuisse forecasts gradual recovery

BY JOHN WICKS IN ZURICH

about three years to "work its way year. out of the present crisis," according Debts would be reduced by about to Dr Hans Jucker, chief executive SFr lbn in the coming months, officer of the parent company,

Dr Jucker said Alusuisse expectwould take until 1989 to return to from the weakness of the dollar and

receives

rival bid

By Our Financial Staff

A RIVAL hid emerged yesterday for Western Pacific Industries

the US producers of counting de-vices and fasteners which last week signed a letter of intent to

go private to a deal valued at about \$360m.

That deal, with Gibbons, Green, van Amerongen, involved an effer of \$155 a share for West-

ern's stock. However, yesterday Western said that Danaher Cor-

poration, a West Palm Beach, Florida group, had advised that it was prepared to acquire the com-pany for not less than \$165 per share in cash.

Danaher has requested a meeting with Western's manage-

ment and an opportunity to re-

view non-public and other infor-mation relating to the company. Western Pacific said its manage-

ment would evaluate the propos-al. The company's shares were trading at around \$162 before the

Commins Engine, the major:
US diesel engine producer, is offering an early retirement incen-

tive programme for most of its 13,500 US employees, it said 2,200 would be eligible.

Costs for the programme would be recorded in the third

First Chicago, the big US bank holding company, said 350 cus-ployees would be eliminated company-wide by year-end from streamlining many banking

The bank said the corperate

The bank said the corporate workforce would be 13,950 at year-end, down from 14,300 at Jamary 1 of this year. The cuts, which have already begun, result from a reorganisation of the company begun earlier this year.

Tenneco, the US farm equipment group, has started a \$15.4m tender offer for all 4.4m shares of Steiger Tractor, the struggling

Steiger Tractor, the struggling manufacturer of large four-

manufacturer of large four-wheel-drive tractors. Tennoco said the Steiger board

Tenneco said the Steiger board had unanimously approved the \$2.50 per share offer, which is subject to receipt of at least 2,919,719 shares, or \$6.7 per cent of Steiger stock, and to approval by Steiger shareholders. Steiger filed for protection under Chapter 11 of the US Bankruptcy Code seedler this year.

L'Air Liquide buys

Preussag gas unit

L'AIR LIQUIDE, the French in-

dustrial gases group, said it had acquired the carbon dioxide gases interests of West Ger-many's Preusag group for an unspecified amount.

carlier this year.

rival bid emerged

ALUSUISSE group would take 1985, will be required again this smelting capacity at the Chippis minium. The group would concentractive market segments of the alabout three years to "work its way year. works in Switzerland. minium. The group would concentractive market segments of the alabout three years to "work its way year.

bringing net debt servicing down to about SFr 200m to SFr 230m a year. Dr Jucker attributed the continued a return to operational profits ing difficulties to the fact that "the next year. But he warned that no abuminium price is in the basement "structural and financial turn- and there are no signs of an upround" was imminent and that it turn," Alusuisse was also suffering unit at the Consolidated Aluminum

net profits.

Last year the group lost SFr 692.3m (\$422.6m). It expects a substantial, though smaller, deficit in 1986. Extraordinary depreciation, which amounted to SFr 321m in also plans to close down half the

Mr Hermann Haerri, member of the executive committee, said negotiations for the sale of the 50-percent stake in the Italian company Sava Alluminio Veneto should be completed before the end of the

see, is to close at the end of this year, while a pressing plant at Mad-Dr Jucker said Alusuisse would

no longer be among the world's

tions, whereby "problem solving and customer-oriented production" would gradually replace standard

Theodor Tschopp said that as from being built for metal cans in the beginning of next year, Alu-suisse would produce primary aluminium only in Europe, with an installed annual capacity of about 410,000 tonnes. This is to be reduced by about 30 per cent in the next

sions for composites in Germany aluminium castings to Switzerland and "Forex" foam panels in Switzerland and the US. New plants were France, ceramic filters in Switzer-land and "Sintrex" foam in Switzer-

Although work was in progress to expand American output of such items as special chemicals and comthree years

Dr Jucker said Alusuisse would

continue with new investments, goal of reaching a 50 per cent US

particularly in chemicals and "at
share of group turnover.

Poclain suffers

net deficit of

S-E Banken profits up 98% Western **Pacific**

SKANDINAVISKA Enskilda Bank- period last year. en, the leading Swedish bank, in-creased its operating profits for the first eight months of the year by 98 per cent, boosted by falling interest rates.

The bank is forecasting better re-sults for the whole year, after a couple of years of stagnating profits.

Operating profits totalled SKr its for the first eight months this 2.742bn (\$397m), a sharp increase of year, a tribute to falling interest

BERLINER Handels- und Frank-

furter Bank (BHF-Bank), the West German merchant and commercial

bank, raised partial operating profit

by 26 per cent to DM 116m (\$57m) in the first eight months of this

Full operating profit, which in-cludes the results of own-account

trading, increased still more strong-

ly - but the bank declined to say by

The results are the latest evi-

Net interest earnings increased 48 per cent to SKr 2.839bn, despite a fall of 7 per cent in volume, while on and other earnings rose 36 per cent to SKr 3.127bn.

Götabanken, the fourth largest edish commercial bank, reported a strong increase in operating prof-

ings and that many of them may again increase their dividends.

BHF-Bank raised its payout for last

year to 24 per cent from 21 per cent

Mr Klaus Subjetzki, one of the

managing partners, said interest profits were up in the first eight months by 8 per cent thanks not least to an interest margin slightly

above last year's level and an in-

Mr Subjetzki added that commis-

BHF raises earnings by 28%

dence that the German banks are sion earnings had soared by 30 per

FFr 100.2m standing credits to customers worth about SKr 20hn.

year. The falling interest rates have meant gains on trading in the money market that have made it possible for us to increase the dif-ference between our lending and borrowing rates by 0.5 per cent" said acting managing director Mr

cent thanks to buoyant securities and issuing business. As a result these earnings had risen to a level

more than 60 per cent that of profits from interest business, underlining BHF's success in boosting its mer-

chant banking activities in particu-

The bank already has securities

offshoots in Switzerland, New York,

Singapore and London and is nego-tiating to set up in Japan too. At end-August it had total assets of

By David Marsh in Paris Operating profits of SKr 578m were up 97 per cent or SKr 285m compared with the same period last POCLAIN, the loss-making French hydraulic excavator group, suffered an increased group net deficit of FFr 100.2m (\$15m) in the first half

of 1986 compared with FFr 39.6m in the first half last year. The worsening losses were caused by falling margins in the US and Britain resulting from the drop in the dollar and sterling, as well as a large cut in sales to the Middle

East and Africa. Poclain said technical difficulties surrounding the industrialisation of

its new 61 excavator boosted stocks and financial expenses in the first Poclain net sales in the first half rose to FFr 1.69bn from FFr 1.55bn. The figures include the losses of its 80 per cent crane subsidiary PPM, which Poclain said continued to

face a very depressed international

market. The new 61 excavator, a 12.5 tonne model which cost between FFr 60m and FFr 70m to develop, has been delivered to the tune of more than 500 machines. Poclain said its investigation during the summer confirmed the confidence which users have in the excavator.

This ennouncement appears as a matter of record only.

September 1986

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unspecified amount. L'Air Liquide said the acquisition had been approved by the West German authorities and mainly covered Agelko, West Germany's second largest supplier of curbon dioxide gases, with an annual turnover of about DM 50m (\$24.6m). Dominion Textile seeks US acquisition

DOMINION Textile. Canada's largest textile group, is again looking for an acquisition in the US followwin Avondale Mills, an Alabama CS11.Im (USS8m) or 36 cents a to minority shareholders of Donomaker of denim and yarn, with a share on sales of CS220m. Results hue, one of the most profitable for USS104m cash bid. The company now has US\$150m available for ac-ouisitions.

be positive, against a loss a year cuisitions.

earlier, and for all fiscal 1987 profit

should be higher than fiscal 1986. Mr Thomas Bell, the president, said the denim market was stron everywhere, and the Avondale deal was designed to strengthen Domtex's position internationally to that field. But Domtex must expand further in the US and Europe because of saturation in the Canadian mar-

alisation to meet increased garment imports from Asian countries.

For the year ended June 30, Dompart of Quebec's privatisation poliing its failure earlier this year to tex had operating net profit of cy. The offer is not being extended

> Earlier, the Government turned down C\$200m on offer for the Dono-Cascades, fast-growing paper hue control block. Analysts believe products group which owns two packaging plants in France, is mak-ing a CS246m offer for 55 per cent of other offers may be forthcoming.

ing a C\$246m offer for 55 per cent of Donohue, Quebec city-based newsprint, market pulp and lumber producer. The offer is equal to almost in the second quarter ended August towards reactivation of Crean Hill

cents, against C\$26.5m, also equiva-

an investment in Montreal City and share on sales of C\$926m. Results hue, one of the most profitable for-in the first quarter of fiscal 1967 will est products groups in Eastern Can-C\$1.4m loss from abandoned California retail operations of a Provigo subsidiary.

The Canadian metals producer

towards reactivation of Crean Hill

INTERNATIONAL COMPANIES AND FINANCE

Hammermill Paper rises in quarter

By Our Financial Staff

HAMMERMILL Paper, the largest US producer of fine writing paper which has agreed to merge with International Paper, achieved a jump in third-quarter operating earnings to \$15.4m, or 86 cents a share, from \$5.6m or 32 cents. This took the nine-month total to \$48.9m or \$2.77, compared with \$24.4m or \$1.53 a

The latest three-months profit inhided a gain of \$3.6m from the sale of Manning Paper division and settlement of an insurance claim. But it was struck before a \$21.3m it was struck before a \$21.3m charge related to defending an unsolicited tender offer and negotiating the merger agreement with International Paper. This left the group showing final loss of \$5.9m.

Sales for the quarter reached \$442.1m, up from \$417m, taking the total so far this year to \$1.36bn against \$1.28bn last time.

BCI pulls out of US retail banking

BY WILLIAM HALL IN NEW YORK

BCI entered the US retail bank-ing market slightly more than four years ago when it paid \$115m for Li-BCI gave no vo Bancorporation of New York, lat-er renamed North American Ban-US retail banking market. How-New York, which has a network of major foreign banks with 43 branches in Nassau and Soffolk tability of retail banking.

counties, two New York City sub-urbs on neighbouring Long Island. Although the assets of North ing operation to a Japanese bank.

BANCA Commerciale Italiana American Bancorporation nave na-(BCI), the second biggest bank in Italy, is pulling out of the US retail BCI acquired the retail bank, it has banking market and selling its not been particularly profitable. North American Bancorp for \$300m to the 202-year-old Bank of New York.

York. and its return on equity was 7 per

BCI gave no explanation yestercorporation. It is the parent of Long ever, the move appears to reflect a Island Trust, based in Garden City, growing disenchantment among major foreign banks with the profi-

Lloyds Bank, for example, recent-ly sold its Californian retail bank-

relatively small US retzil banking operations cannot generate adequate returns in the face of fierce competitors like Citibank

BCI will continue to operate branches in New York, Chicago and Los Angeles and a representative

Despite the lacklustre performance of its US retail banking operation, BCI appears to have made a handsome profit on the sale, which is at nearly three times its book value of \$106m. This is higher than most recent acquisitions.

BANCA Commerciale Italiana American Bancosporation have ris- Several other foreign banks are The acquisition will make the known to be concerned that their Bank of New York one of the largest banks on Long Island, regarded as one of the faster grown as one of the faster growing bank-ing markets in the New York area competition from major New York If the deal is approved by the Federal Reserve, Bank of New York will have the third largest branch network in Nassau and Suffolk counties and will make it the largest suburban bank in the metropoli-

> tive of Bank of New York, said the acquisition reflected the bank strategy of focusing its branch banking activities on the suburben areas of New York City.

Foreign & Colonial Reserve Asset Fund The Foreign & Colonial Reserve Asset Fund is an ideal vehicle for the international investor, offering a comprehensive choice of cash, bond and equity funds with good liquidity. With near to \$75 million already invested in eleven different funds, Foreign & Colonial Reserve Asset Fund Limited is incorporated in Jersey and listed on The London Stock Exchange. Benefit now from all the advantages of an offshore investment which has consistently outperformed all the relevant indices and has banking and security facilities available in Jersey. Initial charges are only 1% on the first US \$50,000 invested and are lower thereafter. To: Foreign & Colonial Management (Jersey) Limited F1 14 Mulcaster Street, St. Helier, Jersey, Channel Islands. How to proceed The minimum investment is £5,000 (or currency equivalent). Shares in the Fund may be purchased only on the basis of the current registered prospectus. To receive a copy simply complete and post the coupon. Please send me the Foreign & Colonial Reserve Asset Fund Limited Prospectus. Foreign&Colonial

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The format comprises eight afternoon lecture programmes addressed by distinguished. taking place.
The format comprises eight afternoon lecture programmes addressed by distinguished City figures—each an expert in his field.

For further details, contact:

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This announcement appears as a matter of record only.

Eurocommercial Paper Programme

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August 25, 1986

US. \$100,000,000

GW Overseas Finance N.V.

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Great Western Financial Corporation

Interest Rate Interest Period

61/4% per annum 24th September 1986

Interest Amount per U.S. \$10,000 Note due

24th March 1987

24th March 1987

U.S. \$314.24

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In accordance with the provident of the Reference Agency Agreement between C. Itoh & Co. Ltd. and Citibank, N.A., dated March 14, 1980, notice is hereby given that the Rate of Interest has been fixed at 670% p.a. and that the interest payable on the relevant Interest Payment Date, March 24, 1987 against Coupon No. 14 will be U.S.\$161-83.

September 24, 1986, London

By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANCO



BANK FÜR ARBEIT UND WIRTSCHAFT A.G.

(Incorporated with limited liability in Austria) US\$100,000,000 Subardinated Floating Rate Notes due 2000

In accordance with the terms and conditions of the above-mentioned Notes notice is hereby given that the Rate of Interest has been fixed at 614% per annum and that the interest payable on the relevant Interest Payment Date, March 24, 1987 against Coupon No. 4 in respect of US\$10,000 nominal of the Notes will be US\$314.24. September 24, 1986, London By: Cifibank, N.A. (CSSI Dept.), Agent Bank

CITIBAN(

Arbuthnot Latham Finance B.V.

US \$30,000,000

Guaranteed Floating Rate Notes due 1992

In accordance with the provisions of the Notes, notice is hereby given that the rate of Interest for the period from 24th September, 1986 to 24th March, 1987 has been established at 6% per cent. per annum.

The interest payment date will be 24th March, 1987. Payment which will amount to US \$160.26 per Note, will be made against the relative coupon.

Bank of America International Limited

US \$150,000,000



Floating Rate Notes Due 1999

Interest Rate

63/8% per annum

Interest Period

Interest Amount per

24th September 1986 24th March 1987

U.S. \$10,000 Note due 24th March 1987 U.S. \$320.52

> Credit Suisse First Boston Limited Agent Benk

INTERNATIONAL COMPANIES and FINANCE

BHP chief forecasts lower earnings

ice

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BROKEN HUL Proprietary would find it hard to equal its record 1985-86 net profits of A\$988.2m (US\$625.4m) in the current year ending May 31, Mr James Balderstone, the chair-man, said, reports Reuter from Melbourne.

First-quarter net earnings fell to A\$176.7m from A\$296.7m a year earlier, largely because of o sharp fall in oil earnings.
However, the group looked forward to better results in sub-

sequent quarters.
"It is unreasonable to expect "It is unreasonable to expect the company will repeat the growth of last year," Mr Balderstone said. "Rather, we see a pause in the pattern of growth achieved since 1983. But we believe it will be a pause only." In the longer term, BHP looked to the fruition of its reinvestment in steel, the start of North West Shelf liquefied natural gas production innatural gas production increased oil output from the Timor Sea and extensions at the Mt Newman iron ore and Goonyella coal operations,

The reasons behind the fore-cast of a pause in profit growth include weak commodity prices and e slowing of economic growth in Japan, BHP's largest customer

tralia has climbed out of the red for the year to June and says further progress will be made during the current 12 months. Mr Balderstone said Bass months.

The company, which is 48 percent owned by Elders IXL, the brewing and industrial group, has made o oet profit of A\$44.2m (US\$27.9m), against a loss e year ago of A\$915,000. Strate oil sales were now over 400,000 barrels per day, following the Government's crude oil excise cuts, after falling to 292,00 b/d in June-July from 455,000 in 1985-86.

Indonesians face interest rate rise after devaluation

BY JOHN MURRAY BROWN IN JAKARTA

BANKS IN Indonesia are likely arbitrage." The high gearing to raise interest rates to cover a the ratio between debt and forecast increase in private equity, has been a feature of sector provisions for bad debt Indonesia's private sector.

Mr. Sudhomo, the Manpower Minister, yesterday called on following the recent 45 per cent devaluation of the rupiah.

Twelve-month deposits currently earn between 14 and 17 per cent, while prime rates are as high as 24 per cent.

Particularly vulnerable to the devaluation are foreign joint ventures and large domestic industrial groups, like car manu-facturers, which are capital intensive and rely heavily on imported raw materials and

Such companies have tended to use offshore loans as a source of working capital, a practice which one Western banker described as "a form of

Indonesia's private sector.

Last week's devaluation will result in sharp increases in debt-servicing costs and also in principal amounts. Private sectors are supering double figure inflation up from the present 3 per cent. tor debt currently stands at \$7.4bn, according to figures to reduce a huge public deficit from the Bank for International on the current account set to

from the Bank for International Settlements (BIS), while total foreign debt, public and private, is at \$28.3bn. Private sector it was official estimates. This interest repayments in 1985 ware \$276m.

The Central Bank recently delivered another blow to the private sector, when announcing that exchange losses incurred at the last devaluation in 1983, the last devaluation in 1983, and 60 per cent of state budget revenues. The devaluation is also expected to give e until oow treated as "paper losses," hed to be amortised as palm oil, rubber, plywood and tin. this year. Corporate profits are and tin.

Despite the return to profits,

Elders Resources says it will again not pay a dividend. The company wants to concentrate cash resources on rebuilding its assets base.

BY FINN BARRE IN RIYADH

Riyad Bank suffers 40%

RIYAD BANK, Saudi Arabia'a deposits dropped from second-largest bank, has re-SR27.21bn on March 10, to ported a decline of 40.1 per cent SR25.19bn.

decline in first quarter

Elders Resources out of red

sees boost from US

The decision to devalue aimed

in the year ended June 30, from A\$34.46m in 198285.

Mr Turnbull said the Fleischmann yeast and vinegar brands, acquired in July from RJR Nabisco, are expected to add about A\$120m to group sales in 1986-87.

showed a poor performance. The company planned to in-

ported a decline of 40.1 per cent in profits for the first quarter of its financial year, which began in March of 1986, according to unaudited results.

The bank reported a profit of SR48.3m (\$12.8m) for its first quarter, down from SR81.8m e year earlier. The bank reported o profit of SR189.4m during the year to March 10, 1986.

Assets in the first quarter went down from SR32.82bm to SR31.01bm. Letters of credit, guarantees, and other obligations dropped from SR31.05bm to SR27.36bm. Loans and edvances declined slightly from SR10.86bm to SR10.64bm, and SR 69m.

Burns, Philp

BURNS, PHILP, the Australian food and trading group, expects to boost sales and profits in its current business year after including recently acquired North American subsidiaries in its results, Mr Andrew Turnbull, thief executive said vesterday, reports

from A534.46m in 1987 85.

"Expansion overseas is providing the desired result and very profitable growth," Mr Turnbull said. "Our Australian operations are improving with the effects of rationalisation."

factory since the acquisition and Burns, Philp should increase its yeast and vinegar market share in North America, he said. ELDERS RESOURCES of Aus. It plans a one-for-five scrip attainment of full production of tralia has climbed out of the issue.

Despite the return to profits. Reviewing 1985-86, Mr Turnbull said over 50 per cent of net profits came from foreign operations, particu-larly in the US and the UK, Queensland.

It also expects full-year profits from its resource finance division with the expansion of activities into North America

increase in 1986-87.

The food, hardware and shipping operations significantly increased earnings,
Turning to its traditional Pacific Island trading business, Mr Turnbull said Burns, Philp (PNG) recorded another increased profit after losses two years ago.

Tonga, Samoa and Niue made record profits but Fiji showed a poor performance.

Per share earnings rose to 61.9 cents from 53.2 cents. A maintained final dividend of 10 cents made the payout for the year 20 cents, against 19 cents last time.

The net was after tax of A\$11m against A\$6.6m, net interest of A\$18m compared with A\$19m, depreciation of A\$14.3m against A\$13.25m and minorities of A\$4.9m

acquisitions

tive, said yesterday, reports Reuter from Sydney.

The group earlier reported a rise in equity-accounted net profits to A\$40.15m (US\$25m)

Results had been very satis-

Elders Resources said reasons or predicting a profit increase in the current year include chemicals. and this percentage would increase in 1986-87.

The company planned to introduce management systems applied in Papua New Guinea to other major Pacific operations.

The fall in group sales to A\$1.16tm from A\$1.3bm reflected the sale of two subsidiaries, he said.

Per share earnings rose to \$1.9 cents from \$3.2 cents.

Reference Agent BRITANNIA

> **BUILDING SOCIETY** £150,000,000 Floating Rate Notes Due 1996

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of the Notes, notion is hereby given that the Rate of Interest for the next

six months 24th September, 1986 to 24th March, 1987 has been fixed at

67/16 per cent per annum. The Coupon Amount payable on Coupon No. 10 will be US\$3,236.63.

THE SUMITOMO BANK.

Credit Suisse First Boston Limited

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In accordance with the terms and conditions of the Notes, notice is hereby given that for the foot months Interest Period from (and including) 22nd September, 1986 as (but excluding) 22nd January, 1987, the Notes will carry a rate of interest of 9.80 per cent. per annum. The relevant Interest Payment Date will be 22nd January, 1987, The Coupon

interest payable on relative Interest Payment Date, 24th March 1987, in respect of US\$100,000 nominal amount of the Notes will be US\$3,456.60. Reference Agent

US \$188,100,000

Banco Internacional S.N.C.

Floating Rate Notes Due 1991

In accordance with the provisions of the Fiscal Agency Agreement between Banco Internacional S.N.C. and First Interstate Capital Markets Limited, dated as of 15th September, 1986 notice is hereby given that the Rate of Interest for the next is month Interest Period has been fixed at 6 1/4% p.a. and that the interest parable on relation Interest Period.

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(Sakai Kagaku Kogyo Kabushiki Kaisha)
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First Interstate Capital Markets Limited 24th September, 1986

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Crédit Lyomais

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(incorporated in Japan with Limited Liability)

U.S.\$10,000,000 Floating Rate Certificate of Deposit : . .

No. FRER 010167-010176 issued on 29th October 1982 Maturity 30th October 1987 Callable in October 1986 Prepayment date 31st October 1986 AND .U.S.\$10,000,000

Floating Rate Certificate of Deposit No. FRER 010177-010186 issued on 18th November 1982 Maturity 20th November 1987 Callable in November 1986 Prepayment data 20th November 1986

Notice is hereby given in accordance with Clause 5 of the Certificate of Deposit (the "Certificates") that pursuant to 'c Clause 3 of the Certificates The Bank of Yokohama, Limited will prepay all the outstanding Certificates or the respective prepayment dates indicated above at their principal amount. Payment of the principal amount together with accrued interest to the prepayment date, will be made on the prepayment date against presentation and surrender of the Certificates at the London Branch of the Bank of Yokohama, Limited, il Street London EC2V 5DE

t will cease to accrue on the Certificates on the prepayment date.

Toshiba International Finance (UK) PLC

TOSHIBA CORPORATION

£50,000,000

Sterling Commercial Paper Programme

Arranged by

COUNTY NATWEST CAPITAL MARKETS

DEALERS County NatWest Capital Markets Limited

Kleinwort Benson Limited

S.G. Warburg & Co. Ltd.

Issuing and Paying Agent

National Westminster Bank PLC

Kansai Paint enters the Indian market

COOKSON of the UK has sold British company to vacate the companies to build vehicles 26 per cent of its equity stake area. locally.

In Goodlass Nerolac Paints, Kansai has acquired 842,000 Sales of Goodlass Nerolac rose acquired states of Rs 10 each at 20 per cent to Rs 695,23m

involvement in India since several Japanese motor manu-facturers entered into collabo-dividend of 20 per deals with

All of these securities having been sold, this announcement appears solely for purposes of information.

NEW ISSUE

September 4, 1986

5,000,000 Capital Shares 5,000,000 Income Shares

Global Growth and Income Fund, Inc.

A Dual-Purpose Investment Company

The First Boston Corporation

A. G. Edwards & Sons, Inc.

The Nikko Securities Co.

Bear, Stearns & Co. Inc.

Alex, Brown & Sons

Dillon, Read & Co. Inc.

Drexel Burnham Lambert

Paine Webber

Goldman, Sachs & Co.

Prudential-Bache

Hambrecht & Quist & The NatWest Investment Bank Group

Lazard Frères & Co.

Merrill Lynch Capital Markets

Montgomery Securities

Morgan Stanley & Co.

September 1986

BEI

Kidder, Peabody & Co.

Robertson, Colman & Stephens

L. F. Rothschild, Unterberg, Towbin, Inc.

Smith Barney, Harris Upham & Co.

Clive Wolman looks at a transatlantic accord on malpractice in the financial markets

UK and US sign agreement on fraud

The signatories are Mr Paul ness Channon, Secretary of State for Trade and Industry in the UK, Mr John Shad, chairman of the Mr John Shad, chairman of the Securities and Exchange Commission (SEC), which regulates the US securities markets, and Ms Susan Phillips, chairman of the Commodity Futures Trading Commission (CFTC), which regulates the US commodity futures markets. Tha two US agencies are the counterparts of the UK's Trade and Industry Department (DTI) because they of the UK's Trade and Industry
Department (DTI) because they
have the legal authority to
regulate financial markets. In
the UK, that authority remains
vested in the DTI although the
Financial Services Bill will
alow it to be delegated to the
embryonic Securities and
Investments Board (SIB) next
year.

The Memorandum will be amended when the new City regulatory structure starts to operate next year to take more account of the roles of the SIB, the Stock Exchange and other self-regulatory organisations.

The terms of the agreement are designed to prevent "fishing expeditions" by one authority in search of anything that might prove useful. Requests for information from one authority to the other must be in writing or at least confirmed in writing

addition to County.

Toshiba also has a sterling bankers' acceptances pro-

Sterling CP for Toshiba

TOSHIBA, the electronics gramme. When it requires group, is the first Japanese sterling funding, County exborrower to arrange a sterling pects to seek bids under both

commercial paper programme.

Its London-based finance subsidiary, Toshiba International Finance, bas mandated County NatWest Capital Markets to arrange a £50m programme, guaranteed by the parent company. Kleinwort Benson and S. G. Warburg are dealers in addition to County.

Decis to seek bids under both programmes, convert them into an equivalent yield basis, and enable Toshiba to choose which market to tap.

Mr. J. Ukigal, managing director of Toshiba International Finance, which funds the parent's sales and production operations in Europe, said he expected the company to be

A MEMORANDUM of Understanding which provides for the investment and merchant banks, confidential exchange of brokers and market-makers, and confidential exchange of involves and market-makers, and authorities to assist their investigations of fraud and malpractice in financial markets has clearing corporations and transfer agents, and futures businesses including commodifications. nesses, including commodity trading advisers, commodity

pool operators and futures and options brokers and dealers.

The purpose of the agreement is to allow authorities in one country to pass on to the other country's authorities informa-tion which it already has or which it can by its best efforts obtain. The information must be needed to secure compliance with the regulations of the other country. However, such assistance may be denied by tha Secretary for Trade and Industry in the UK or by the SEC or CFTC after consultation with the relevant US Government officials. Information which is not held by DH for investment not beld by DTI for investment or company law purposes cannot be passed on. The identity of any suspected

person must be disclosed except when the information is needed to identify suspects in cases where insider dealing or market manipulation or misrepresenta-

or at least confirmed in writing within 10 days. They must specify what information is requested, the general purpose for which the information is sought and the grounds on which breach of a lagal rule or requirement is suspected.

The agreement covers invest-

The information supplied can return to the requested authbe used to enforce or secure ority all documents and copies
compliance with investment re-whose contents have not been
gulations through investiga-disclosed and any other mattions, enquiries or litigation erial which discloses the content
with a rule or requirement of such documents, unless such
specified in the request. If the material is being used purely
rule or requirement was not for internal analytical purposes,
specified, the requesting auth- The anthorities in both the





Mr Paul Channon, Secretary of State for Trade and Industry (left) and Mr John Shad, chairman of the Sectrities and Exchange Commission

BANK OF MONTREAL yester- the group's capital markets

BANK OF MONTREAL yesterday inaugurated a separately
capitalised London subsidiary
which will underwrite and distribut Euromarket securities.

The subsidiary, Bank of Montreal Capital Markets, bas
assembled a 21-strong trading
and sales team headed by Mr
Brian Watters. It seeks to
arrange and trade issues in the
Eurocommercial paper market
as well as in Eurobonds,

as well as in Eurobonds.

Air George Neal, an executive vice president who heads Canada.

Commerzbank International S.A.

Banque Bruxelles Lambert S.A.

Italian International Bank Pic

Credit General S.A. de Banque

Kuwaiti-French Bank

Forsta Sparbanken

Banque Continentale du Luxembourg S.A.

BY OUR EUROMARKETS STAFF

This announcement appears as a matter of record only.

manipulation or misrepresentation is being investigated. If any outsidar is likely to obtain the information for other than enforcement purposes, the requesting authority must give details of that person and his interest.

Requests should be addressed to one of the other authority's contact officers. If the authority receiving a request believes it does not comply with the terms of the Memorandum, it can not be offered to any other persistent ask permission to UK and US have powers to obtain information when exercising their regulatory duties; for example, in some cases they have the power to search premisses and seize documents. They will not, however, be allowed to exercise those powers to obtain information when exercising their regulatory duties; for example, in some cases they have the power to search premisses and seize documents. They will not, however, be allowed to exercise those powers to obtain information when exercising their regulatory duties; for example, in some cases they have the power to search premisses and seize documents. They will not, however, be allowed to exercise those powers to obtain information when exercising their regulatory duties; for example, in some cases they have the power to search premisses and seize documents. They will not, however, be allowed to exercise those powers to obtain information when exercising their regulatory duties; for example, in some cases they have the power to search premisses and seize documents. They will not, however, be allowed to exercise those powers to obtain information when exercising their regulatory duties; for example, in some cases they have the power to search premission to obtain information when exercising their regulatory duties; for example, in some cases they have the power to search premission to obtain information when exercising their regulatory duties; for example, in some cases they have the power to search premission to obtain information when exercising their regulatory duties; for example, in some cases they have the power t

In addition, an authority may pursue enquiries in the other country provided it does so with moderation and restraint" and after consulting with the host authority. Unless the information the foreign authority is seeking is in the hands of a particular person, the authority should also first ask the host authority for the information in accordance with

the terms of the morandum. If the costs of providing or obtaining information are sub-stantial, the host authority may require reimbursement from tha requesting authority. consultation proces

designed to improve the operation of the Memorandum will be triggered if one authority refuses to comply with a request for information from the other on grounds of public interest or if a host authority refuses to permit the foreign authority to carry out inquiries. A change in market or business conditions or in investment regulations will also trigger o consultation process.

Authorities will normally keep confidential any requests for information made under the Memorandum and any other consultations to the content consultations to the extent permitted by law.

The Memorandum is to be replaced eventually by a fully-fiedged treaty. The parties have committed themselves to start negotiating the treaty within 12 months. Meanwhile, the Memorandum, or any part of lt, will cease to have effect if any of the authorities give 30 days' advance notice in writing. This may happen in particular as a result of a change in the regulations of one country which does not lead to an agreed amendment to take account of the change.

Montreal bank in London First-half

downturn at Saipem By Christina Paghera in Milan

SAIPEM, the oil and gas pipe-laying and drilling subsidiary of Italy's ENI state-owned or many's care state-owned energy group, has suffered as a result of the crisis in the world oil sector, seeing both its profit and revenues take a antial drop in the first half of this year

half of this year,

Mr Glaunt Del'Orto, Salpem's president, said yesterday in Milan that gross
operating profits were downby more than 40 per cent, to
L28.2bm (US\$20m) in the first
six months of 1986, Turnover
full by \$2 per early to 1581bm fell by 6.2 per cent to L581bm (USMIIM).

Some 65 per cent of Saipem's revenues come from pipelaying activities, while a further 23 per cent is derived from oil and gas drilling contracts. The company said yesterday the profit and turnover declines resulted from falling crude prices, tha weakness of the US dollar. But Saipem stressed that it still has an order book worth 1.2,500bm, including contracts in the USSR, Yemen, India and the UK. The company even went so far as to forecast a full-year profit double that of last year, when the consolidated net came to 1.65.2bm.

Joint venture merchant bank for China

CHINA'S FIRST joint venture merchant bank is due to open this autumn in the Shemhen special economic some, Reuter reports from Peking.

The People's Daily newspaper said each of the five partners in China International Finance has an equal share in the \$7m capital. They are the state-owned Bank of China, Bank of East Asis of are the state-owned Bank of China, Bank of Kast Asi, of Hong Kong, Security Pacific of the US and Sumitomo Bank and Nomura Securities of

Japan.

The venture will offer nermal banking services and
raise funds for China's econ-

omic development.

China has 62 trust and investment companies, most of them set up by local governments and specialised banks.

Foreign bonds have been issued by China International Trust and Investment and the trust and investment and the trust and investment com-panies of Fujian, Shanghai

and Guangdong.

The companies are playing an increasingly important role in the banking system. providing such services as instment in local and foreign currencies, loans, leasing and economic consultancy.

Carr buys into Malaysian firm

W. L CARR Sons and Co (Overseas) has agreed to acquire a 30 per cent stake in Seagreatt and Campbell, a Malaysian stock brokerage firm for about HK\$15m, Reuter reports from Hong

Koog.

The wholly-owned subsidiary of Exco International of the UK said the deal is expected to be completed by the end of the year, depending on approval from the Malaysian authorities.

Small rise in dollar bonds. on news of US inflation

CAUTION CONTINUED to be the watchword yesterday, as the Eurobond market first waited for the US consumer price index figure and then observed New borrower. Shimizm Europe, a

figure and then observed New York's reaction to it.

Although small buying interest was sparked by the lower than expected 0.2 per cent rise in the index in August, and by a fall in US durable goods orders, demand remained very muted and most retail investors staved away. Secondary market stayed away. Secondary market prices for dollar Eurobonds did, however, rise by half a point or

In these circumstances and with some key syndicate managers apparently preoccupied by the Flat share placing—there were few new issues. Yesterday's holiday in Japan for the autumnal equinox

subsidiary of Shimizu Construc-tion, made a \$50m issue with the guarantee of Dai-Iehi Kangyo Bank, Led by Yamaichi International (Europe), the five-year issue has an 8 per cent coupon and was priced at 1014. Some of the placing was

The D-Mark market was up { to 1 point in the afternoon on the back of New York's gains.

In Switzerland, Echo Bay Mines of Canada made a novel SFr 75m 10-year issue carrying five-year warrants to buy gold at \$560 per ounce, about 30 per cent over current levels. Led by Credit Suisse, the issue has an indicated 4 per cent coupon.

expected to await Tokyo'a opening today.

In the D-Mark market, Danish Export Finance launched a 100½. The City of Vienna is expected in the market with a 6 per cent coupon and par pricing, e the terms were generally seen v as fair and the insue was bid of a discount equal to tha 1½ per cent aelling concession.

Texas Eastera's SFr 100m issue was set with a 5½ per cent coupon, higher than had been indicated, and was priced at 100½. The City of Vienna is expected in the market with a SFr 200m issua next week. Swiss bond prices road alightly. Seagram's SFr 250m 99-year issue ended its first day's trading at 99½ against a par issue price.

Foreign rush for Tokyo listings

FOREIGN COMPANIES are seeking share listings on the tional. By the end of lwro uncreasing numbers. The number bers declined in the next few quoted has risen to 32 from 21 years in the face of what many at the beginning of this year. Applications now in the pipe-line are expected to raise the rotal to over 50 by the end of total to over 50 by the end of lwro uncompanies to the next few of increasingly well-known and liquid multinational stocks. Further attractions for Japanese investors are the relatively low price/earnings ratios of foreign shares companies, and the fact that the number of foreign companies, and the fact that the over 50 by the end of total to over 50 by the end of total total to over 50 by the end of total total to over 50 by the end of total t the New York Stock Exchange. Among those which have been listed in Tokyo this year are Barciays Bank, British Telecom and Cable & Wireless of the UK; Westpac, the Australian banking group; Canadian Imperial Bank of Commerce and Toronto Dominion Bank from Canada, and Chrysler.

and Toronto Dominion Bank from Canada; und Chrysler, Eastman Kodak, McDonalds, SmithKline Beckman and Waste Management of the US. Com-merzbank of West Germany is due to be listed on October 1 and Royal Bank of Canada later.

The TSE's foreign section was first set up in December

took steps in 1983-84 to reverse the process. The so-called dual anditing requirement was dropped, while the documentadropped, while the documenta-tion needed for a foreign com-pany's initial listing was re-duced and simplified. Some 10 foreign companies responded quickly to the reform, and the number has grown steadily since

rency diversification on their own domestic stock exchange. Mr Frederick Zuckerman, a Chrysler vice president, pointed ent when his company obtained its listing last week that its P/E ratio would be the lowest of any listed foreign stock and

predicted that dealngs would be active. At the same time as the number of companies listed has increased, the volume of dealings on the TSE in foreign use Tokyo as a market on which to raise equity finance, rather than regard a listing merely as year transactions reached 134m shares, but in tha first six months of 1986 they soared to 185m. This summer's rally saw essential precondition of the monthly transactions in foreign introduction of simultaneous. 1973 with six names. Citicorp, monthly transactions in foreign introduction of simultaneous, Dow Chemical, First Chicago, shares top 15.5m in July and round-the-world trading

ABC

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STEARGRYS | Second | Std | Office | Start | Sta | Seary Act. 105-90-55 | 72-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 | 73-75 LTCB of Japan e 92 Merrill Lynch 61, 91 Merrick-Best Cred. 77₂ 93 New Zastand 81, 93 Merrick Granden 78, 93 Papalas Inc. 77₂ 93 Proct. & Garnh. W 93, 92 Obstas Alexans 109, 95. Proct. & Garnh. W 97, 92.

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World Bank 91, 16.

World Bank 109, 95.

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Vassian Trant Fig. 82, 93.

Assurance series classes

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* No Information available— † Only one market maker supplied a price. Straight Sensiz: The yield is the yield to redemption of the mid-prior; the amount based is in utilions of currency units except to Yes boads where it is billions, Change on week-Change over

coupon.

She Benda: Denominated in dollars unless otherwise and. Chg. day—Clausge on day. Cas. date—First date for sion into stares. Cas. price—Nominal amount of head perspected in currents of stares at convertion rate fixed at appreciated in currents of site current effective peter and the current effective peter and an account price of the

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operations in Europe, said he expected the company to be issuing most actively in the three-month area.

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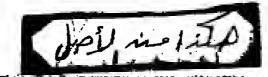
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September, 1986

Chase Investment Bank





INTL. COMPANIES and FINANCE

John Wicks on the Swiss travel group's diversification plans

Kuoni sets up in hotel management

KUONI TRAVEL, a leading international name in the travel agency and tour operator industry, is spreading its wings. A hotel management subsidiary, formed in July, is working on 36 projects as far apart as the Caribbean and East Africa.

Reisebūro Kuoni, the Swiss preut company, soes back to

parent company, goes back to 1906, when Mr Alfred Kuoni 1906, when Mr Alfred Kuoni added a travel agency to the family freight group. Today it claims to be the third largest travel organisation in the world swith a 1985 turnover of SFr 1.4bm (\$869m) and operations in 15 countries. Swissair holds a majority of the shares; small packets are in the possession of the Knoni-Hugeutobler Foundation and Union Bank of Switzerland. Rearer shares are

Foundation and Union Bank of Switzerland. Bearer shares are quoted on the Zurich Stock Exchange.

Mr Jack Bolli, company chairman, under whose leadership Kuoni has donbled its sales since 1977, admits that times are hard in the travel agency business. Switzerland last year accounted for 60 per cent of group turnover—the share will be higher in 1986 due to the strength of the Swiss franc. But the market is subject to a cut throat price battle. "Customers are not very loyal," says Mr Bolli wistfully.

At the same time, international travel is suffering from the effects of terrorist attacks and the foreign exchange situation. Air fares are chaotic,

situation. Air fares are chaotic. and reservations in any case are being made increasingly through the airlines own reservation

Danish electrical group

in first-half setback

BY HILARY BARNES IN COPENHAGEN

Bond Street travel agency, soon sond Street travel agency, soon to become the leading tour operator for long-haul holidays in East Africa, the Caribbean and the Far East. In 1974 the company acquired Houlders World Holidays—its major competitor—in Dorking. Kuoni now runs it as Britain's biggest long-distance holiday operation. distance holiday operation.

The UK subsidiary is a pioneer in the use of chartered Concordes for holiday flights; Concordes for holiday flights; coming up is a £15,000-plus round the world by Concorde trip for the particularly well-heeled. It continues to do well for itself. Mr Bolli expects yet another record earnings figure for this year.

Not all Knoni's foreign ventures have proved so successful. In the past couple of years the group has pulled out of several branch operations which were not paying. This rationalisation programme has now been com-

not paying. This rationalisation programme has now been completed, and travel "agency activities seem set fair to expand again. This year Kuoni has taken over several Swiss agencies and opened others—including prestige units at the International Olympic Committee in Lausanne and et the new regional General Motors headquarters in Zurich.

Mr Bolli does not foresee entering any new national markets at present. However, existing operations — particu-

Depending on the Swiss markets at present. However, francs level, Kuoni group sales seem likely to remain at about 1985 levels. Parent company profits, which rose 15 per cent last year, should be satisfactory, says Mr Bolli, but without setting another record. It certainly seems out of the question in Spain and Austria and outsetting another record. It certainly seems out of the question increase in Kuoni's French net-

manager in the family in the person of Mr Bolli's son Hansruedi, with 20 years in the business.

As general manager of the new subsidiary, Mr Hansruedi Bolli envisages contracts with between 25 and 30 hotels within the first three years. As yet, Kuoni does not have any immediate plans to buy any immediate plans to buy any hotels other than its two existing Caribbean properties, though it appears an offer is being considered. The general rule will be the management on an individual basis — Mr Hansruedi Bolli does not want any bansactule. house-style standardisation — of resort hotels, mostly in the Caribbean and the Mediter-

Already, Kuoni Hotel Man-agement has several working contracts. Apart from running agenent has several working the group's own properties in Barbados and Antigua, it manages three country hotels in Switzerland and has a consulting agreement with a fourth, as well as management contracts with several properties elsewhere. These include the Comino in Malta, which is to be expanded; the Hotel Kiris in Antalya, Turkey (Kuoni stake: 10 per cent); the 500-bed Deep Bay on Antigua, due to open in a year's time, and the \$180m Royal Louvet project on St Lucia for completion in two or three years as the Carlibbean's biggest single holiday and leisure centre.

bean's biggest single holiday and leisure centre.

Other contracts, still under consideration, are for resort developments in Greece, the Caribbean, East Africa and the Canary Islands.

The main criterion for Mr Jeck Bolli is that the hotel business should make money. Knoni-run hotels will not grant special prices to Knoni Tour operators and will all have to justify themselves as profit justify centres.



work of nine travel agencies.

and above this, Kuoni began to feel the need for some form of diversification—but only in sectors where the company already had some know-how.

"This could have meant hirecars, aircraft, shops or hotels," says Mr Bolli. "Since we had to decide on a priority, hotels seemed the most obvious."

Even before setting up Ruoni Hotel Management, the group had been involved in the business. It has minority stakes in Hotel Nyali Beach and Reef Hotels in Mombasa, while Kuoni (Caribbean Enterprises), the British Virgin Islands holding subsidiary, owns the Discovery Bay on Barbados and the Hawksbill on Antigua.

The company also had plenty of experience of the hotel sector as a major tour operator—and e highly-skilled hotel

Kemira earnings decline 7% at six-month stage

CREAT NORTHERN Telegraph reports a drop in first-half treports from DKr 50m to DKr 38m (\$5m), despite an increase in extraordinary income from DKr 25m to DKr 41m, Turnover rose by 8 per cent to DKr 1.3bn.

The group has sold its Hellesens hattery sales subslidiaries in the four Nordic countries to Duracell, its American competitor. Hellesens will cease proand chemical industry group, reports half-year profits before appropriations and taxes down 7 per cent et FM 136m (\$28m). Group turnover for the period increased by 4 per cent to FM 3.460n compared with the

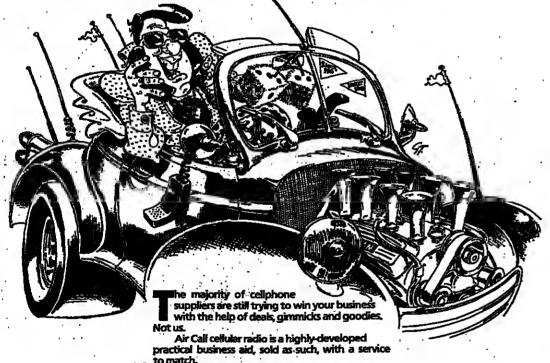
first six months of 1985.

The agriculture division, which accounts for 41 per cent of the group's turnover, suffered most. Its turnover came down

KEMIRA, the Finnish fertiliser by e fifth because of lower fertiliser prices and increased competition in Europe.

The best performer was the tanium dioxide division, titanium dioxide division, thanks to the ecquisition of American Cyanamid's titanium dioxide plant in Savannah, Georgie, in the summer of plant's figures were consolidated as of the beginning of this year

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NOTICE OF REDEMPTION

To the Holders of

General Mills, Inc.

U.S. \$100,000,000 12% Notes, Series A, due December 19, 1991

NOTICE IS HEREBY GIVEN to the holders of the outstanding 12% Notes, Series A, due December 19, 1991 (the "Notes") of General Mills, Inc. (the "Company") that, pursuant to the provisions of Section 7(a) of the Series A Fiscal and Paying Agency Agreement dated as of December 19, 1984 between the Company and Morgan Guaranty Trust Company of New York (the "Fiscal Agent") and Paragraph 4(a) of the Terms and Conditions of the Notes, the Company has elected to redeem on October 15, 1986 U.S. \$23,715,000 principal amount of the Notes (the "Redemption Notes") at a redemption price equal to 101% of the principal amount thereof, together with accrued interest to said date, in the amount of U.S. \$493.33 for each U.S. \$5,000 principal amount and U.S. \$986.67 for each U.S. \$10,000 principal amount as follows:

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Payment will be made, subject to applicable laws and regulations, in U.S. dollars on and after October 15, 1986 upon presentation and surrender of the Redemption Notes with coupons due December 19, 1986 and subsequent coupons attached, failing which, the amount of missing rumatured interest coupons will be deducted from the sum due for payment and paid in the manner set forth in the Terms and Conditions of the Notes against surrender of the related missing interest coupons within the period of time prescribed by the applicable statute of limitations, at the main offices of the Fiscal Agent in London, Brussels, Frankfurt am Main, Paris and Tokyo, the main office of Amsterdam-Rotterdam Bank N.V. in Amsterdam, the main office of Swiss Bank Corporation in Basle and the main office of Krediethank S.A. Luxembourgeoise, in Luxembourg. Payments at said offices will be made by a United States dollar check drawn on a bank located in The City of New York, or by transfer to a dollar account maintained by the payee with a bank in London. No payment on any Bearer Note will be made at the Corporate Trust Office of the Fiscal Agent or any other Paying Agency maintained by the Company in the United States nor, except as otherwise permitted by U.S. Treasury Regulations without adverse tax consequences, will any payment be made by transfer to an account maintained by the payce in, or by mail to an address in, the United States.

From and after October 15, 1986, the Redemption Notes will no longer be outstanding and interest theorem shall account all account and after October 15, 1986, the Redemption Notes will no longer be outstanding and interest theorem shall account all account and after October 15.

the United States.

From and after October 15, 1986, the Redemption Notes will no longer be outstanding and interest thereon shall cease to accrue. U.S. \$1,975,000 principal amount of Notes will remain outstanding after the redemption.

It is suggested that each holder consult his own tax advisor concerning his particular tax situation.

Any payments made to an address in the United States, directly or by electronic transfer, may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding of 20% of the gross proceeds if payees not recognized as exempt recipients fail to provide a Paying Agent with an executed IRS Form W-9 in the case of non-U.S. persons or an executed IRS Form W-9 in the case of U.S. persons.

Under the Interest and Dividend Tax Compliance Act of 1983, we may be required to withhold 20% of any gross payments made within the United States to certain holders who fail to provide to a Paying Agent listed above, and certify under penalties of perjury, a correct taxpayer identification number (employer identification number or social security number, as appropriate), or an exemption certificate on or before the date the securities are presented for payment. Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50 imposed by the IRS. Please therefore provide the appropriate certification when presenting your securities for payment.

DATED: September 16, 1986

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TECHNOLOGY

'New papyrus' is set for take off

BY JANE RIPPETEAU

EVER SINCE sales of the com-pact disc player took off, the high-performance audio system has had a lacklustre cousin: 2 technology but which stores computer data instead of music. Called CD ROM, for compact

Called CD ROM, for compact disc read-only memory, the technology is a computer data storage medium so powerful that industry leaders have called it—in the title of a recent book—"The New Papyrus." In one application, a 20-volume encyclopedia is held on a single disc, just 51 inches across and weighing less than an ounce. With some 600 megabytes of capacity, the technology offers a thousand times the storage of today's floopy disc.

disc.
So far, the promising technology has been hamstrung by costs, a lack of standards and market misconceptions. Hardware retailing at some \$1,000 per player discouraged sales, while the limited population of machines left software producers with little incentive to produce disc.

produce discs.

But now, CD ROM may be ready to move up-market in B

Last week, in what industry executives say is a major boost. Microsoft Corp., of Seattle, said it would develop an extension to its widely-used computer operating system, called MS DOS, to support CD ROM technology. The Microsoft announcement comes hand-inhand with the successful conclusion of a 13-company standards-development effort that, for the first time, makes it possible for producers of discs, the suppliers of information that goes on them and the makers of machines that play them to turn but com-

the makers of machines that play them to turn but compatible products.

"This will lead to a tremendous increase in the use of CD ROM with personal computers," says Gilbert Held, a consultant who wrote a just-published report on the subject for the market research company Frost & Sullivan, Counting players and discs, he estimates the market at over \$10n by 1990.

The Microsoft move is par-

The Microsoft move is par-ticularly significant because of ticularly significant because of the large number of personal computers using MS DOS—in-cluding IBM personal com-puters (PCs) and many IBM compatibles. Microsoft itself estimates that over 5m PCs worldwide use MS DOS. That figure is growing fast IBM and compatibles have over half the market, and market researcher

World market for CD ROM players Projected production Projected factory sales 1,500 (000 units) 202 - 5 (\$ imilion)

As US factory prices cascade from \$600 now to about \$135 by 1990, CD ROM player shipments and revenues are expected to soar

fornia, estimates that by the end of 1986, there will be an installed base of PCs in the US of nearly 19m.

or nearly 19m.

This "gives credibility to CD ROM," says Meino G. Noordenbos, product manager in the Telecommunication and Data systems unit of Philips, the Dutch electronics major. Philips with Sony Corporation, of Japan, ploneered CD technology and the two companies dominate the two companies dominate player production.

Microsoft's MS DOS extension Microsoft's MS DOS extension is to conform to the recently-agreed standard, which concerns organisation of data on a disco-for instance, file partitions and tables of contents, Microsoft, Philips and Sony were among participants in the standards body, called the High Sierra Group.

Without such ständards, not every CD ROM player can read every CD ROM disc. That

capability depends on how in-formation is recorded on discs, which are called optical because tiny pits pressed into them can be read by a laser beam as a disc spins. Some standards, covering the size of the disc, rotation rate, data density and other para-meters, already existed. The latest set, the last needed, has been submitted to international standards setting bodies for approval.

In the meantime "we think it will be a de facto standard," says Roger Hilde, marketing operations manager for optical discs at 3M, the St Paul, Minnesota, materials and industrial products company. 3M, a leading producer of the discs, also took part in the High Sierra Group, "We have already produced our first disc to that standard," he adds. The disc is a data base on the US Census prepared by the Department of Commerce.

Hilde says that the minber

of clients coming to SM to have information pressed into CD ROM discs "is growing very significantly," One new customer is Datext Inc., which last January began its first shipments of a product that is among the latest craze in CD ROM: Subscription information.

Ditext's product is a package of financial analysis' reports, stock quotes, histories and other financial information on all publicly traded companies in the US, according to sales representative Martia Johnson. For an annual full subscription for a 110 500 a hyper is supposed. fee of \$19,600, a buyer is supplied with a GD ROM player plied with a CD BOM player and monthly updates — on four discs pressed under contract by SM — of all the financial day. Demand has increased "better than we hoped," says Johnson, adding that chief customers are investment banks, other finan-cial institutions and univer-

Not everyolit believes market

propects are rosy, however. There are several technologies closely related to CD ROM but toffering different capabilities. These isolate effect and which a user that can be written onto, erised and used spirit. Franchie thics are in research at Philips, SM and elsewhere. A few companies, including Optimen and Optition in the US, are ilready imposing optical disc players for write-base system, according to Philip Storey at PA Technicogy in the UK.

Executives

relegy in the UK.

Executives inflerviewed resident that there are distinct markets for each type of that. On ROM would constitute a cheap way to store and the seminate archival information, a Sears catalogue, or massive data bases, for instance, by contrast, write-once technology, conting more, might be used by a company needing to send periodic business updates to a number of branches quickly and cheaply.

number of brancies quiexly and cheaply.
Faced with such variety, however, buyers have begin to demand a single player that will be able to read any tif the discr. They want systems, says Storey of PA, that "with the fisch of a software switch, would be able to read all three types of media."

media."
Complicating matters further, Philips and Sony last year desionstriated a version of a CD ROM player that can be used on its own, without hooking to a computer. Called CDI, for CD interactive, the machine has a inicroprocessor built into it. The user could operate the system through a keyboard, or touch sensitive acreen.

Intended as a smaking bring-ing GB to home consumers without a compiner, the con-cept backfired initially, says Hide of SM, "CDI slowed the marker while people sorted out the differences between CD ROM and CDK. It will not affect! the business long-term," he estate.

According to Dataquest, US hardware sales — saw 80 percent of the world market—will reach about 12,000 players this year, but not exceed Im units will after \$890. The company seek factory prices dropping by then from \$600 to \$135. Just as video cassette recorders a \$1,000 novelty in the late 1370s, have become a near commodity frem; CD, at those prices, could become prevalent.

If that happens, the enthus.

If that impens, the enthusiants could be right; that "CD" may one day be as familiar as "TV"



AT & T joint venture develops MAP link

OPTICAL FIBRE factory communication systems using MAP (manufacturing automation pretocel) are to be jointly developed by AT & T, the US telecoms company and Concord Communications of

marthore, manuschusetts.

The hipfeach will use AT & T's libre device to convert digital this into optical form, and a mini from Concord that gross access to local "taken maining" networks.

They will be suffilled on a fallet higher in his AT & T manufactating facility to explore the indiffications of the aptic technology in MAP factory networks.

INTEGRATED OFFICE lystems were being necessed by about five per cent of UK office workers at the end of 1885, detecting to Feddar. Associates, the London matricet research group. The figure is expected to rise to 20 per cent by 1990.

During 1865 soice 8,000 of the synthing were phipped in the synthing were phipped in the UK together with 64,000 workstations. But fed the inarket with a 34 per cent ahare of workstations.

But Feddar Feels that, with a trend to higher volumes and smaller prices, effice automation suppliers could have initial furthers. The report on ENTECRATED

Mere aptic technology in MAP factory networks. Mr Tonty Relies, president of Contord, arts the contony has had many questions from existincirs about optical solu-tions for the factory. More from the US on (617) 460 4448.

the subject chair \$900, More on 01-878 9111. GLASS CONTAINER Inspec-

GLASS CONTAINER impec-tion of a high order is chained for a new optical inspection system offered by Barry-Wehmiller of Altrin-chain, Cheshire, UK (061-928 6241). The system looks for any contambating materials. As well as viewing each container more than succe, the system hispects the love twice and the subwall of the containers at each of the impection stations. The concontainers at tack of the inspection stations. The com-pany claims a 30 per tent improvement of detection rates, compared with more conventional systems. Many cases of food than tambation can be fraced back to glass containers that might be stored for long periods before filling, so becoming contaminated.

before filling, so becoming contaminated.

MEMBERANE SEPARATION of hydrogen for recycling back into relinery and petrochemical pidelises has been developed by Du Pers. US chemicals group, which claims a 25 pet teint felination in costs compared with established technology.

A newly developed hollow three membrane is used which is able to separate selectively one gas from others. The advantage over conventional that shoet membranes is that much more surface area can be employed. The system has been demonstrated in pilot form at a Conoco relinery in Uklahousia. In the UK, Du Pout is it Stevening on other 754600.

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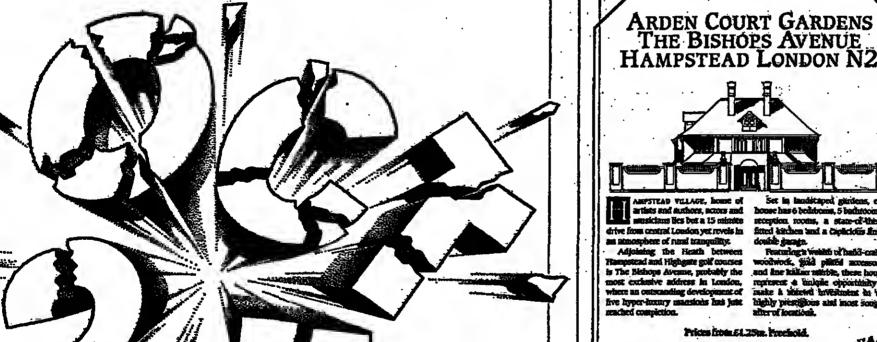
Cleaning is deceasing because the paints, although nell-paliated by the action of When flow, the paints and the paints are too living. The configuration has, therefore, developed a system thinks Panhoer which is claimed to leave the hull haby bottom.

Apart from being able to use abrasives he well as brushes, the diversely cleaning unit has a course of claims which allows the claiming unit has a course of claiming the allows the claiming the allows the claiming habits to remark at a fixed thereights the partition finit a them allows the claiming habits to remark at a fixed thereights the partition finit a them allows the claiming habits to remark at a fixed thereights the partition finit a them allows the claiming the partition finit a them allows the partition finit a paint afternoon the partition finit a paint afternoon the partition finit at a fixed them.



ROBOTS THAT can place 70 kg loads within a horahaped space of 4,000 x 2,500 mm have been developed by Rels Robot of Obenituit, West Germany. They are available in the UK from the Company's Milital Reyles Subsidiary (0008 310777). A horizontal rectangular frame heat he the fibor by four corner supports earlies a moving gaintry that spans the frame and hweefs back and forth ever the floor creabeneath. Able to move along the gastry is a vertical arm that moves up and down. Applications include general transfer work and the handling of tools and workpires in machining cells. Basic pulce in the UK is \$45,608.





After the Big Bang

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On October 27th the FT will analyse a revolution-The City Revolution. In the FT Survey, twenty specialist writers will examine and comment mon every aspect of The City Revolution: How it came about, what the changes will be, and the probable shape of things to come.

The FT's well-informed and authoritative approach will be reflected in the survey, making it one that every businessman in every company affected will read, keep and refer to again and again.

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The person you should contact is Nigel Pullman on 01-248 8000.



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IN 71E MATTER OF
THE COMPANIES ACT, 1985
AND IN THE MATTER OF
STORIGE WATSON 2 CO.
[FAPER MERICHANTS] LTD.

WOTICE IS MICHESY GIVEN purished to election till of the Companies Acc. 1985 that a meeting of the Cleditors of the elections are needing of the Cleditors of the elections of the sovenemed complety will be held at The York Room, Bonningson lotel, 82 Southampton Row, Lowellin WC1B 48H, on 2nd Carlot Company.

By Order of the Board, G. WATSOM,

Company No. 1507365
Statistical in England
IN THE MATTER OF
THE COMPANIES ACT. 1985
AND IN THE MATTER OF
ADDETOR SALES
ADDETOR SALES
LIMITED

NOTICE IS HEREBY GIVEN pursuant to section 500 of the Companies Act. 1955 that a meeting of the Creditors of the above-name company will be held at The York Room, Bonnington Hosel, 22 Southardson, Royal London

By Order of the Board, G. WATSON,

NOTICE IS HEREBY GIVEN pursuant to section 556 of the Companies Act, 1995 that a limeding of the Creditors of the above-named company will be held at The York Room, Bonnington Hotel, 92 Southempton Row, London WCIB 48H, on 2nd October, 1986 at 2.35 p.m. for the burghase infinitional

By Order of the Board, G. WATSON,

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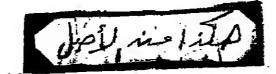
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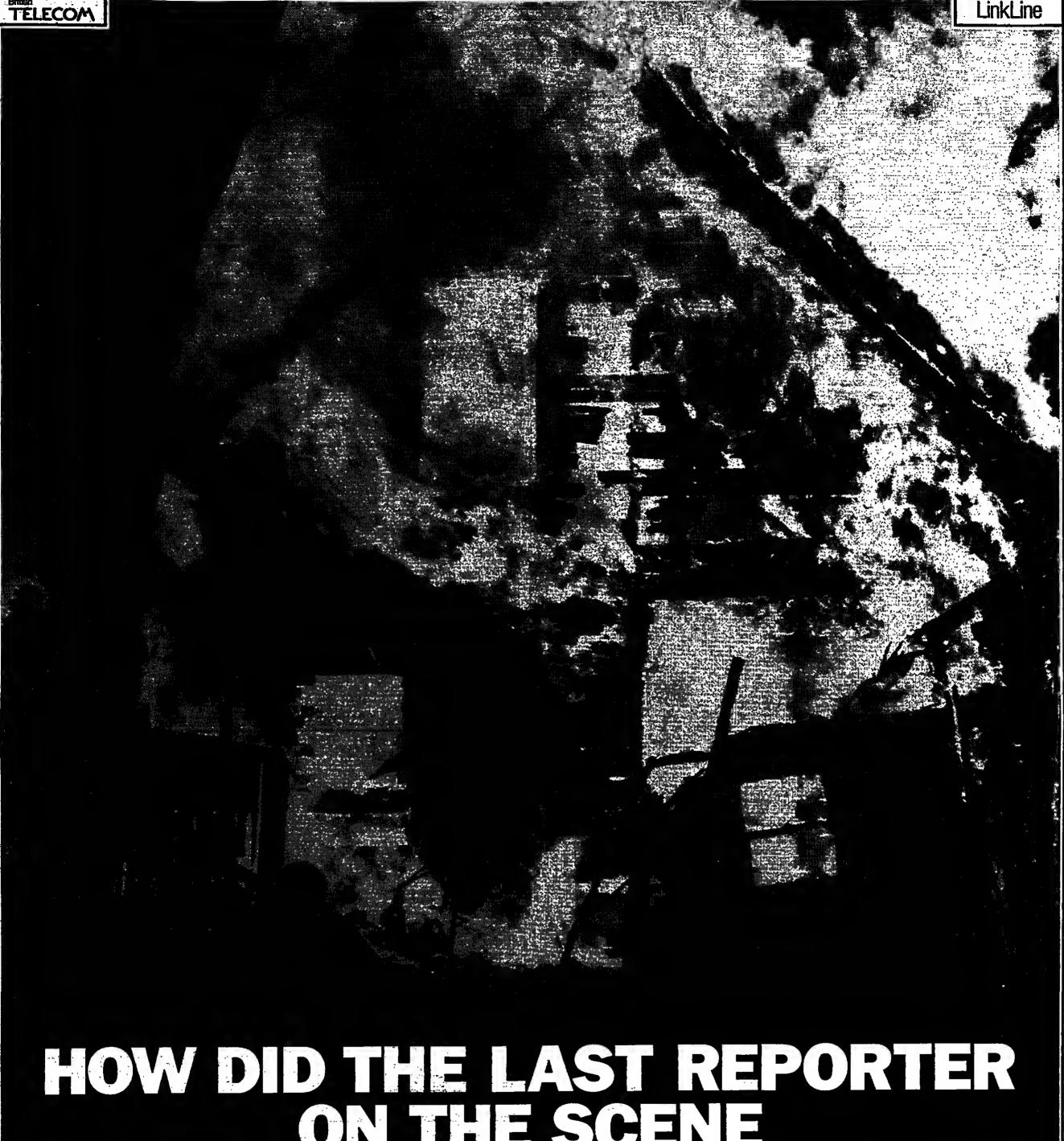
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HOW DID THE LAST REPORTER ON THE SCENE MAKE THE FRONT PAGE FIRST?

When his editor put the newsdesk on LinkLine 0800, he edited out all sorts of problems. Like reporters having to dash into people's homes and ask if they could phone the editor long distance.

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-CALL US FREE ON 0800 373 373 FOR MORE INFORMATION.

TELECOM

By Charles Betchelor

cent 2004-09 loan stocks. The
10.5 per cent 1990-95 will be
repaid at £105.
These stocks had recently
been trading at considerably
lower levels. The 6.9 per cent

stock was earlier this month quoted at £75}, the 7.5 per cent at £76} and the 10.5 per cent at £164}.

Pearson sells

suburban

newspapers By David Goodbart

Westminster Press, the pro-vincial newspaper substillary of Pearson, is continuing its

disposal policy with the sale of Middlesex County Press (Uxbridge) division for \$2.5m

Subject to contract it will be acquired by two newspaper entrepreneurs, Mr David Platt and Mr Gareth Churk, with the

support of County Develop-ment Capital and Si (Inves-

ment Capital and 31 (inves-tors in Industry).

Middlesex County Press publishes four paid for weekly papers and five free papers circulating in Middlesex, Buckinghamshire and West

London. In the year to December 1985 turnever was £13m and operating profit £500,000.

Asset value is about £3m but

the main freehold properties have been excluded from the

Westminster Fress said that the sale represents an important stage in its policy of regrouping to evacentrate on daily newspaper and non-suburban weekly newspaper centres, in both cases superted by free newspapers. The new owners, who helped to run Morgan Communications before it was taken over by Reed International, made the initial approach to Westminster Press. They have said they intend to continue the development of the business.

Carlton Comm.

Two directors of Cariton Communications, Mr Nigel Wry and Mr David Green, both amounted the role of 500,000 shares in the company resisting for each of the 54.4m.

Cariton said that the sale, at 884p per share, was findle with the company's blessing and had been easily placed with several institutions. The two men have agreed not to sell any more shares for two

Following the sale—of about three per cent of Carl-ton's equity—Mr David Green, a brother of Mr Michael Green, the chairman, will continue toown over 3m

tres and Mr Wray, who acquired his shares when he sold his Fleet Street News-letter to Carlton, will continue

to own over Im shares. Cariton closed last night un-

Hibernian Group, Irish controlled non-life company, returned pre-tax profits of 12763,000 (loss 154.05m) in first half of 1986. Underwriting loss reduced from £13.19m to £3.9m. Earnings the character of \$40.000 (loss 540.000)

per share 0.94p (loss 5.49p). No interim, as indicated in listing particulars for full

Irish

changed on 910p.

Hibernian profit

directors

sell shares

LASMO falls and omits interim

MR ROBIN ADAM, chairman of London & Scottish Marine Oil (LASMO), announced yes-terday that the slump in oil prices over the past year had wiped slightly more than £10m off the group's net profits et the six months stage.

And in the light of continu-ing unstable crude oil prices and difficulty in predicting the full year outcome, the directors have decided to pass payment of the interim dividend—4.5p was paid previously.

During the first six months of 1986 the price of LASMO's North Sea crude oil averaged £11.12 per barrel. In the corresponding months of 1985 it averaged £22.62.

As a result, turnover from production fell by 48 per cent, from £167.8m to £87.8m — the group is one of the UK's larger

group is one of the UK's larger independent oil companies.
The cost of sales was only slightly reduced and as a consequence, profits at the pre-tax level fell by £64.6m to £10.3m.
A reduction in the tax charge from £58.2m to £3.8m left net profits at £6.5m, compared with a previous £16.7m.
City analysis were expecting City analysts were expecting a sharp decline and were looking for profits in the region of £13m after tax. LASMO'e shares



Mr Robin Adam, the chairman of LASMO

closed at 110p, a fall of 7p on

Mr Adam said: "In my opinion, the volatility in crude oil prices is liable to prevail for some time, While this makes investment decisions more difficult, we continue to build for the future from an excellent base of land, production and

The directors' recommenda-tion on the final dividend will be made when the annual re-sults are known. The 1985 year saw net profits rise from £31.6m to £37.7m and the total dividend maintained at 12.20 net.

The first half results included a post tax £3.7m share of profits from the 29.9 per cent stake in Enterprise Oil, which was acquired from RTZ in January in exchange for LASMO shares.

With the price of crude continuing to fluctuate wildly and having assessed the group's net realisable value of recoverable reserves, the directors decided that no permanent impairment of the net book amount of oil and gas assets could be identi-

fied at this time.

They said LASMO's financial position remained strong. Net debt at June 30 amounted to £105m compared with £103m at December 31 1985 at the debt/ December 31 1985 and the detr/
equity ratio was 0.3:1.
Cashflow from operations
after tax for the half year was
£42m which matched critical
expenditure. In August, the
group disposed of its Netherlands offshore interests for

£22m (£15m).

The directors said that in anticipation of falling prices they implemented substantial

During the first six months of 1986 average production was 47,400 (44,800) barrels of oil equivalent per day, and several significant new field discoveries were made.

Successful appraisal wells in-creased LASMO's net proven reserves by 10 per cent to 121m barrels of oil equivalent.

In the six months the group participated in 91 wells which resulted in 53 oil wells and five gas wells. The drilling success ratio for exploration wells remained high at 36 per cent.

In April, LASMO successfully launched a £50m Eurosterling loan, repayable in 1992. The directors said yesterday that the issue, co-managed by a strong group of international banks, demonstrated the market's con-fidence in LASMO at a time of great difficulty in the oil

The funds were being used to repay short-term debt and lengthen the term of orrowings.

Good growth for Murray Ventures

Over the 12 months ended July 31 1986 Murray Ventures, the Glasgow investment company which seeks capital and income growth by specialising in unlisted securities, lifted its net asset value from 364.8p to 539.8p per share, or by 48 per cent.

Five of the companies in which Murray was invested obtained listings, and a further three unlisted holdings were realised. Together these yielded the company a 95.3 per cent profit.

The company's earnings for the year moved ahead from 6.1p to 8.78p per share. Share-holders benefit with a final dividend of 6p which lifts their total from 5.5p to 8.5p. They will also get a 1-for-1 scrip and can expect a payment of at least 5p for the current year on the higher capital, the directors

Total revenue in the year came to £2.09m (£1.55m), with franked accounting for £1.23m (£581,000) and unfranked £833,000 (£879,000).

Clyde Petroleum falls into red and warns of asset write-down

BY MAX WILKINSON

And Mr Colin Phipps, chairman, warned shareholders that he may have to write down the value of their assets by £25m if appeared by the end of the year that oil prices were likely to remain at about \$15 per barrel in the medium term. The shares closed 3p lower

The size of the provision would depend on whether there had been any significant change in the exchange rate or other factors affecting the carrying value of the company's seems. value of the company's assets.

A £25m write down would

an interim.

Turnover was £8.442m close to the £8.6m of last year, despite the collapse in the oil price. This reflected a near doubling of production to an average of 9.1m barrels per day during the period. largest as a vertile of the period, largely as a result of the acquisition of 0.75 per cent of the Forties field from Texaco, increased output from the Buchan field, and a sharp rise in output from its interest in Ferioles.

The average price realised by Clyde in the UK for the first half of the year was \$12.50 or

There was an operating loss of £1.06m (£2.35m profit) with a loss of £2.43m (£828.000 profit) in the UK being offset by profit of £1.49m (£1.511) from £cuador. After tax of £523.000 (£138.000) losses per characteristics. represent a little more than a a loss of £2.45m (£2.55m profit) with represent a little more than a a loss of £2.45m (£228.000 profit) quarter of the estimated value in the UK being offset by profit of shareholders' funds et the of £1.49m (£1.51) from end of June. However, Phipps Ecuador. After tax of £523,000 said that the adjustment would (£138,000) losses per share still leave funds significantly came out at 1.6p (earnings

Clyde Petroleum, the independent of lexploration company, yesterday announced a pre-tax loss of £1.3m for the first half of 1986, compared with a £2.6m profit last time.

Linguage than present market 2.5p).

Lin spite of the sharp swing into loss, Mr Phipps believed the longer term outlook for the company was good. The majority with a £2.6m profit last time.

Turnover was £8.442m close of £0.20e hereals (with company was good. The majority of the company's proven reserves of 20-30s barrels (with possible and probable reserves about the same again) would not be produced until after 1989, when there was a good prospect of a recovery in the

oil price. Until then the company would he able to survive as a result of retrenchment measures and conrefrenchment measures and con-tinuing positive cash flow. As-long as oil prices remained above \$10 per barrel Clyde would be able to cover over-heads and imerest payments, although at \$10 per barrel it would not be able to afford the exploration it would like.

On the assumption of a sould-what bisher oil notes the com-

what higher oil price the com-pany's strategy was to continue to explore and to ecquire oil reserves where possible.

See Lex

Steetley ahead 17% and **Imps in** £118m deal good trading continues to buy out loan stock

third quarter and the directors are looking for a satisfactory result over the full year.

imperial Group, the tobacce, foods and drinks company which was taken ever by Hanson Trust last April, plans to buy out the helders of four of its classes of the state of the For the six months group turnover rose from £1983m to £200.39m, or by just 1 per cent, but the profit before interest advanced by 13.5 per cent, from of loan stock at a sizesble premium in a deal worth a total of £118.4m. 18.14m to £20.62m.

Hanson needs the approval of the loan stock holders for a plan to transfer ownership of the Imperial foods and tobaces business to another Hanson group company following last week's agreement to sell the Courage drinks business to Elders IXL of Australia. £18.14m to £20.62m.

A cut in interest charges meant the pre-tax profit was up from £16m to £18.6m. Exchange rate movements held back the starling increase in the US.

Mr David Donne, chairman, said the main objectives in recent years, those of improved competitiveness coupled with e programme of investment in new products, had combined to produce another set of excellent figures. Imperial will repay at par its 8 per cent 1985-90, 6.9 per cent 2004-99 and 7.5 per cent 2004-09 loan stocks. The

with PRETAX profits show was fully commissioned ing an increase of 16.8 per cent operating at its rated capacity in the first half of 1986. Good trading levels continued into the normal levels after the previous continued into the normal levels after the previous continued into the continued capacity commissioned capacity operating at its rated capacity. Results from the refractories section recovered to more normal levels after the previous drop when they were hit by the effects of the miners' strike. Results of other UK activities

produce another set of examples figures.

Profit before interest in the UK came to £15.51m (£13.85m). He said construction materials produced improved results despite the poor weather conditions in the early months. The

better performances by both the distribution and minerals busi-

Additional profits from recent acquisitions contributed to much improved results from the French construction materials business, and were reflected in a substantial increase from £508,000 to £1.57m in profits from Western Europe.

In the Hiddle East profits fell from £233,000 to £28,000.

new brick plant at Parkhouse

were similar to last year.

North America produced a profit of £3.66m (£3.4m). In dollar terms the advance was 25 per cent and stemmed from better profits.

from £233,000 to £38,000.

Interest charges for the period were £1.8m (£2.05m).

UK tax came to £5.3lm (£5.1m) and overseas to £1.8m £1.36m), minorities again took £81,000 and the preference dividend £8,000, which left the net profit attributable to ordinary holders

at £11.61m (£9.54m). Earnings were 18.88p (15.55p) per share and the interim dividend is lifted to 5.5p (5p) net.

In the full 1985 year the group lifted its pre-tax profit from £32.7m to £36.84m and its dividend total from 12p to 13p.

Some careful juggling is required to decide just how commendable Steetley's figures are. On the one hand, the results take in a £800,000 bounce-back from the French quarrying operations and Steetley refractories, and the ecquisition of four more French quarries probably added another £300,000 to the pre-tax figure. Yet the negative effect of currency movements, which cost around £500,000, and the unsurprising £145,000 downof currency increments, which cost around \$500,000, and the unsurprising £145,000 downturn in the Middle £ast contribution still left plenty of ground to be made up by organic growit. If there is a problem with the figures, it is the question of where Steetley goes from here, for although there is enough impetus in the first-haff advance to suggest that the group will make the expected £43m for the fufi year, it is hard to see how the growth rate is going to prove remarkable much beyond then. The share price of 493p and prospective p/e multiple of 11 gives Steetley a rating at the low end for its sector, a level at which it seems likely to pause pending evidence that the strategy for growth will prove as effective as the strategy for recovery.

THE INTEREST rate for this week's issue of local enthority bonds is 10% per cent, up § of bonds is 105 per cent, up § of a percentage point from last week, and compares with 1015 per cent a year ago. The bonds are issued at par and ere redeemable on September 30, 1987. A full list of issues will be published in tomorrow's edition.

DIVIDENDS ANNOUNCED

COURT BE TAGE SUR THE TOPS HER	
cent at £104]. The repayment price was decided up on after discussions with Hauson's salvisors and some of the larger institutional awners of the loan	DIVIDENDS ANNOUNCED Date Corre- Total Total Current of sponding for last payment payment div. year year
stocks. The 8 per cent stock will be repaid on October 10, while the proposed repayment of the other stocks requires the approval of	Debfert
stockholdres at meetings to be held on October 17. Repay- ment would take place on October 31.	LASMO
• In a separate development, Hanson has agreed to sell its Hammary Furniture business to the Le-Z-Bey Chair Com- pany for about \$11.5m cash.	Sectt & Robertson Int. 1 Dec 1 0.9 — 2.7
Hammary was formerly part of US Industries, which was acquired by Hanson. It makes occasional tables, wall units and upholstered furni-	stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.
incurred in operating loss of \$200,800 on sales of \$23as. It had not asset value of \$10.5as.	CIE

A YEAR OF PROGRESS FOR IRELAND'S NATIONAL TRANSPORT COMPANY



G. T. Paul Conlon, Chairman

It gives me great satisfaction to report a further year of progress in the drive to invigorate and re-orientate our national transport company. In financial terms the overall

outturn for 1985 was a profit of £6.793m. compared with a deficit of £0.004m. in 1984. This profit achievement was against a backdrop of mational inflation and recession. Every section of CIE business has solid

progress to report.

Our demonstrable achievements in 1985 derive from positive management applied to good business strategy. As a result the Exchequer's public service obligation payments to CIE have been reduced quite substantially in real

Major capital expenditure projects, totalling £40m. were undertaken in 1985 to keep faith with our commitment to upgrade the quality and reliability of our services.

At the end of 1985, our total borrowings on capital account stood at £230m. I would, however, be hopeful that our 1986 Capital programme of £34m. can be financed without adding to this burden. However, the resolution of this funding problem is one of the major management challenges facing CIE to-day.

CIE is meeting the challenge of providing a quality service to the nation. To this end the Board has submitted a proposal to Government to build diesel rail cars at our engineering works at Inchicore - as an extension to our rail carriage building programme. This will ensure continued employment for a number of years, and will cater for a growing passenger demand on the Dublin outer suburban and radial lines, where the quality of present services leave much to be desired. Given the resources I remain confident that CIE will meet the requirements and expectations of the Irish people.

Etronic I

A Transfer & Cal

The above is an extract from the Chairman's Statement published in the 1985 Report and Accounts of CIE.

BANRO INDUSTRIES pic Interim Results - Unaudited

Results for the half year to	30.6.86 £'000s	30.6.85 £'000s	Year to 31.12.85
Tumover	19,565	14,419	£'000s
Profit before tax	851	562	31,411
Familios per share*	6.5p		1,615
Earthigs per share* Dividend per share (net)*	2.00	4.7p 1.50	13.2p 5.8p
*Comparative figures instated to reflect the a	libet of the one-for-live copi	Misetion Issue on 12th	7.0p Visy 7986.

66These results reflect a very satisfactory performance by the Group in the year to date.

The Directors supect this progress to continue into the future and we have every confidence that the full year's result will be most satisfactory.

The Board will continue to investigate all opportunities for expanding Banro's scale of operations, both in manufacturing and distribution, and the reduction in the level of borrowings resulting from the rights issue will provide greater flexibility in considering

A Rights Issue of one for three and an interim dividend of 2.0p per share is being proposed by the Directors and they are forecasting a final dividend, subject to no unforeseen circumstances, of 4.5p per share on the capital increased by the Rights

Edward Rose Chairman and Chief Executive



The principal activities of the group are the manufacture of a wide range of metal and glazed products for the transport, domestic applience and building industries.

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Banque Nationale de Paris Credito Italiano

The Sumitomo Bank, Limited

Manufacturers Hanover Trust Company

Toronto Dominion Bank

Crédit Commercial de France Kansallis Banking Group The Mitsubishi Bank, Limited

The Tokai Bank, Limited

S. G. Warburg & Co. Ltd.

September, 1986

UK COMPANY NEWS

Norton bid

expected to

green light

THE SECRETARY of State

for Trade and Industry is today expected to publish the Monopolies and Mergers' report on Norton Opax's con-tested bid for the larger printing group, McCorquo-dale.

market is that the report will allow the bid to go ahead and the Secretary of State will support its decision.

However, it is by no means certain that even if cleared Norton Opax will renew its bid. Mr Richard Hanwell, the Norton chief creentive.

bid. Mr Richard Hanwell, the Norton chief executive, said the company would look at the respective share prices and the state of the market before making a decision. The original £110m bid was

The original fillow bid was launched on March 4 and was unexpectedly referred on April 22 on the grounds of market share in the personalised cheques industry.

The two companies combined would have a 45 per cent share—with 15 per cent from Norton Opax and 30 per cent from McCorquodale.

Since the reference Norton has reported more than doubled pre-tax profits for the year to March 31 1986 of £5.17m on turnover of £72.1m. McCorquodale also reported pre-tax profits up 14 per cent and the sale of its 25 per cent stake in Dealers Digest for £5m.

£5m. McCorquedale closed up 10p at 245p

Laidlaw Thomson

LAIDLAW THOMSON (archi-

get the

Walter Lawrence expands and pays £23m for Poco

J. E. England

takes on

Walter Lawrence, once best known as a building contractor, is dramatically expanding its included in the state of the group's share capital.

Lawrence is buying Fees Preparities, a private Manchester house-building activities with a street dia account for around 20 per cent of pre-tax profits. The processing company established in 1963, in an agreed deal which will put Lawrence among the top 20 UK house-builders.

Poco, though well-known in the Manchester area, appeared briefly on the national scene bast year when it bought Milbury last year when it bought Milbury last year.

Yesterday, Lawrence declared interim pre-tax profits of Milbury last year.

Yesterday, Lawrence declared interim pre-tax profits of \$368,000 on turnover of £63.7m for the six months to June 30 1986. For the year to April 1986, For the year ending Declared its accounting policy.

Interest attributable to housened incurred is incurred is not less than £3.6m. Lawrence in 25.3m pre-tax profits of the account for around 20 per cent of Less than £3.6m. Lawrence is such as incurred is not less than £3.6m. Lawrence is for less than £3.6m. Is wrence is for less than £3.5m pre-tax profits, compared with a figure of £2.8m, re-stated at accounting policy of the change of the account for around 20 per cent of pre-tax profits.

The Poco purchase is being in accounting policy. It intends to recommend a final dividend of \$2.8m new shares it \$59 a share. The arrangement follows the recent Gity example of allowing existing shareholders to apply for all the new shares, the so-called 100 per cent claw back.

The Poco partial profits of \$2.8m arranged by Morgan Greenfell and Hoare for the change of £2.8m arranged proper is expected to account for around 20 per cent rise on 1985.

At August 31 1986, Poco had a land bank comprising more than 2,100 plots located on 53 sites, varying in size from two to 206 plots. Though the company is strong in Manchester, it also has land in the South of England.

Lawrence's strength. It employs the properties include assets own

ture and the disposal of its Mosepack (Potatoes) subsidiary in a management buyout.

Mr P. D. Kempin is to become managing director of the group after acquiring a 29.9 per cent stake in the equity through that purchase of certain holdings at 34p a share, and a scrip issue to holders of the 10 per cent cumulative preference shares and their conversion to ordinary shares.

offer.

Mr Mervyn Frankel, Black'e chairman, took the unusual step, in an agreed bid, in a letter stamped: "Urgent action required. Accept today." He warned: "Your company's position is critical. Every acceptance, however small, is essential."

If the company went into recivership there would almost certainly be no return of funds to shareholders and the lobs of

Mr Kempin will spearhead an empansion into non-food retailing while Mr P. T. McHugh, the present managing director, will romain as non-executive chairseveral hundred employees would be at risk, ha added. Mr Frankel gave shareholders telephone numbers they could call to hear a recorded message

Blacks' position 'critical'

A New look

J. E. England and Sens, a produce supplier and convenience food merchant, yesterday announced changes in its board and shareholding structure and the disposal of its Mosepack (Pouroes) subsidiary in a management buyout.

Mr P. D. Kempin is to become managing director of the group after acquiring a 29.9 per cent with the class of the company's position of the company agreed bid, in a structure of the group after acquiring a 29.9 per cent with the chairman, took the unusual step, in an agreed bid, in a structure of the group after acquiring a 29.9 per cent with the company's position with Mr Phil Edmonds, the Middlesex and England cricketer who was reported to be considering a counter offer but nothing had been heard from Mr Edmonds since.

Unless Sears can win accept. Unless Sears can win accept-ances from 90 per cent of Blacks' shareholders it would

If the company went into recivership there would almost certainly be no return of funds to shareholders and the jobs of

The sale of Mosspack will be in which he repeated the appeal.

Mr Andrew Herd, a director of Arbuthnot Latham Bank,

be unable to compulsorily buy in the outstanding shares and could not obtain all the benefits Sears wants to merga its 186 Milletts Leisure Shops with Blacks 46 ontlets. Its offer, which won acceptances from the holders of 44 per cent of Blacks shares by the first closing date, will close on October 1 unless it has been declared uncondi-tional.

BBA is surprise buyer of Grosvenor

BY DAYID GOODHART

belt company, yesterday lighting company. emerged as the surprise buyer Discussions are

little more than £8m, consists of two BBA shares for three

Cash.

Grosvenor made a loss for the year ended June 30 1936 of £59,000 and a loss attributable to shareholders of £1.17m, which included the closure costs of three small manufacturing units. It has recently been the subject of take-over rumours. Dr John White, chairman of BBA, said yesterday: "We have been watching them for some time. They have had significant problems but have also made major strides in their retionalisation."

He said that BBA's greater financial resources would enable Grosvenor to develop its three core businesses—Floform, an extruder of non-ferrous components for electronics, Lock, 130p.

BBA Group, the fast-growing which makes electronic metal friction materials and conveyor detector devices, and Eterna, a

Grosvenor Group the with a major multi-national over and the sale of Grosvenor's Backer Electric Company which should engineering company.

The recommended offer, allow BBA to recoup part of the purchase price.

Full acceptance of the share of two BBA shares for three offer would mean BBA issuing Grosvenor or 125p per share in 4.01m new shares, representing 2.1 per cent of the expanded

New board plans to expand 'Times' Veneer

shake-up and plans for a policy would continue as employees to review and expansion following be responsible for the timber the acquisition of a 29.9 per interests of the group.

Mr D. Burna has also resigned the acquisition of a 29.9 per cent stake by a group of new

nvestors, as e director and the position Mr David Landau, a solicitor, of Mr C. M. Parr as a director Mr Robert Newman, an accountant, Mr Peter Beswick, a stock-

tectural ironmongers): Pre-tax profits rose from £365,000 to £428,000 in the half year ended June 30 1986, on turnover ahead from £7.44m to £9.28m. After taking account of the share of the loss of the related companies of £16,000 (£20,000), and allowing for tax of £163,000 (£163,000). The company announced yesterday that after discussions with the new shareholders it PARKFIELD GROUP'S recent had been agreed that Mr Landan acquisitions were performing would be invited to become chairman, Mr Newman manag-ing director, and Mr Michael Johnson, a director, Mr Landan

"The Times" Veneer, a Berman, and other Berman timber company yesterday family members on the board announced a major boardroom would be resigning from it but

is under review.

tant, Mr Peter Beswick, a stock-broker, and their associates announced in July that they had acquired a 29 per cent staka in "The Times."

The company yesterday re-ported that it had made pre-tax profits of £71,815 (£110,938) in the first half of this year on turnover of £3.42m (£3.42m).

acquisitions were performing well up to expectations, the and allowing for tax of £163,000 chairman, Mr Newman managa annual meeting was told. That ing director, and Mr Michael directors were optimistic about 10 chairman, Mr Newman managa annual meeting was told. That ing director, and Mr Michael directors were optimistic about tha group's foundry operations and his colleagues would review with the prospect of substantial from casting work for the (3.63p) per share.

The present chairman, Mr P. Channel Tunnel.



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BARDSEY GROUP has sold Taylor Pallister to Glynwed Engineering for £245,000 (subject to stock valuation), of which £200,000 has been received. Taylor Pallister makes mooring and lifting equipment for the marine; and off-shore oil indisutries. Glynwed will combina it with its existing business of Ansell Jones, manufacturers of specialised lifting equipment.

MERGERS CLEARED—The fol-lowing proposed acquisitions will not be referred to the Monopolies and Mergers Com-mission, said the Secretary of State for Trade and Industry: Woolwich Equitable Building Society of Property Owners Building Society; Scottish & Newcastle Breweries of Home Brewery; and British Printing & Communication Corporation of Philip Hill Investment Trust.

BPB INDUSTRIES has reached agreement in principle to acquire, though its wholly-

owned subsidiary Gypsum Industries (Republic of Ireland), the insulation division of Moy Holdings (Rapublic of Ireland). BPB Industriea is being advised by Ulster Investment Bank, Dublin.

MATTHEW HALL has acquired the capital of Noble Group for a net consideration of £1.36m, satisfied by the issue of 557,000 shares et £1.32 per share and £624,760 in cash. Net asset value at December 31 1985, adjusted where necessary to conform with the Matthew Hall basis of accounting, amounted to £780,000, and adjusted pre-tax

VITA PACIFIC, the 40 per cent owned Australian associate of British Vita, increased its turn-over from A\$36.44m to A\$38.46m and its pre-tax profit from \$3.38m to \$4m in the year ended June 30 1986. The direc-tors remained confident of con-tinued growth in revenue, and in particular improved trading

conditions in New Zealand were expected. expected.
RIVERSIDE PRESS, of Whitstable, reported a significant improvement from £380,000 to £730,000 in pre-tax profits for the six months to July 31 1988. Mr Peter Brown, chairman, said the outlook for the next six months was encouraging. The company's turnover budgets of £12.5m for tha current financial year were likely to be exceeded. year were likely to be exceeded, and there was every sign the improvement in the interim results would be reflected at

RAINE INDUSTRIES completed the sale of Fox Umbrella Frames to a private company, Teampace, for £381,000 (including the repayment of bank overdraft and intra-group loans. In the year ended June 30, 1986, it was estimated that Fox made a loss after tax of some £39,000.

SPECTRA AUTOMOTIVE and

Engineering Products, USM quoted maker of antomotiva and quoted maker of automotiva and industrial chemicals, lifted turnover to £3.08m in half year ended July 31 1986 (£2.64m) but higher interest charges of £44.000 (£16.000) cut pre-tax profit to £187.000 (£215.000). Earnings were 2.23p (2.1p). Interim dividend 0.907p (0.825p). Chairman said adverse weather did little to stimulate weather did little to stimulate market activity, but expressed confidence. A further 2.5 acres of adjacent land purchased for

COMPANY NEWS IN BRIEF

announces that on September 16 the business assets of Spear & Jackson (USA) and Spear & Jackson (Canada) were sold for a total consideration of some JAMES NEILL, Sheffield-based hand tool manufacturers, a total consideration of Sofie US\$3.3m to the Michigan Knife Company of Big Rapids, Michigan This gives a premium of \$0.6m over asset value. U.S.\$4,000,000,000



United Kingdom

Floating Rate Notes Due 1996

In accordance with the provisions of the Notes, notice is hereby given that, for the three months period, 24th September, 1986 to 24th December, 1986 the Notes will bear interest at the rate of 5% per cent. per annum. Conpon No. 1 will therefore be psyable on 24th December, 1986, at the rate of US\$7,425.35 from Notes of US\$500,000 nominal and US\$148.51 from Notes of US\$10,000 nominal.

S.G. Warburg & Co. Ltd. Agent Bank

This advertisement is published by Baring Brothers & Co., Limited and N.M. Rothschild & Sons Limited on behalf of BET Public Limited Company.

The Directors of BET Public Limited Company are the persons responsible for the information contained in this advertisement.

To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. The Directors of BET Public Limited Company accept responsibility accordingly.

To HAT Group Shareholders

The BET offer for your shares expires at 10.30am tomorrow, Thursday. IT WILL NOT BE EXTENDED.*

To be effective, your form of acceptance must be with BET's Registrars, Hill Samuel Registrars Limited, at 6 Greencoat Place,

London SW1P1PL by that time.

Value of BET Increased and **Final Share Offer:**

HAT Share Price:

Value of Offer is based on share price of BET at 3.30 p.m. on 23rd September, 1985. HAT share price and HAT share price before offer are prices at 3.30 p.m. on 23rd September and 21st July, 1986 respectively. *Unless it is unconditional as to acceptances or a competitive situation arises.

Polypipe plc

INTRODUCTION TO THE OFFICIAL LIST

Ordinary aboves of 10p each . . . Application has been made to the Council of The Stock Exchange for admission to the Official List of the whole of the issued Cardinary share cupied of Polypipe pic, currently dealth on the United Securities Market, it is expected that the Listing will be granted on 26 September, 1986 and that

This announcement appears as a matter of record only

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Manufacturers Hanover Trust Company Morgan Grenfell & Co. Limited

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UK COMPANY NEWS

COMMERZBANK SE

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Octopus advances 13% despite sluggish market

that it had succeeded in increas ing pre-tax profits by 13 per cent to £7.08m in the first half of 1986 despite the aluggish state of the book market and adverse exchange rates.

Almost all UK book publishe suffered from lacklustre demand in the opening mooths. The downturn is genearly attributed to depressed sales of books last Christmas and retailers' subsequent over-stocking problems.
"The book trade as a whole had a disappointing but far from depressing, start to the year," said Mr Paul Hamlyn, Octopus'e chairman. "And although our companies in both main overseas markets, Australia and US, improved in local terms, we were affected by adverse currency move-

Nooetheless in the period turnover rose to £60.47m (£54.28m) and operating profits to £5.84m (£5.31m). Its share in profits of associated companies—one-third of Pan-Books and half of Conran-Octopus— fell to £191,000 (£241,000) because of the depressed paper-back book market. But investincome rose to £1.05m

een restated to take account of the contribution from Heinemann, the book publishers acquired from BTR, industrial



holding company; last July.
Earnings per share rose to
8.8p (7.2p) and an interim
dividend of 2.7p (2.18p) is being naid.

Much of the first half was spent in integrating Heinemann and Hamlyn, the latter was purchased from Reed Inter-national in March, Octoons has cut costs within both companies, invested in the marketing of Heinemann's educational books and improved Hamiyn's distri-

Sintrom down 18% despite second quarter recovery

ent in the second quarter.
Turnover for this maker of data storage and computer

enced lower demand in the first part of the year, directors said. Action was taken and the company was showing an improvement compared with the previous year. Its service divi-sion was set up as an independ-

Sintrem saw pre-tax profits the oil industry, in which Sinfall by 18 per cent from £717,000 to £589,000 in the six months to end-June 1996, despite withdraw from the sector. An reporting a substantial improveto cover potential losses.
Following a cut in overhe

recovery at the Perez offshoo was expected to continue. The data storage and computer was was expected to continue. The peripheral equipment was was expected to continue. The almost unchanged at 58m Logic Replacement Technology against £7.96m. Earnings came networks division saw 80 per cant growth during the period share; but the interim payment is being maintained at 0.75p.

Sintrom Electronics experienced lower demand in the part of the profit contribution. had maintained its strong cash base and that it intended to adapt to growing business areas by both internal growth and

The tax charge was £214,000 (£301,000) and there was an extraordinary debit this time of Following the downturn in £330,000.

Johnson & Jorgensen improves Small improvements in sales than in the second as

and profits have been achieved by Jehmon & Jorgensen Pack-aging in the six months ended June 30 1986.

This USM quoted manufacturer of plastic and glass containers lifted sales by 4.3 per cent to £7.04m (£8.75m) and pre-tax profits by 5.1 per cent to £576,000 (£548,000).

the buoyancy in the market was not quite as apparent as at this time last year, but he believed the second half should provide satisfactory results. For the whole of 1885 turnover was £13.28m and profit £1.13m.

pre-tax profits by 5.1 per cent to £576,000 (£548,000).

On this occasion, said Mr
John Jorgensen, chairman, the cost of the annual holiday closure of the plastics factory came in the first half rather

15.28m and profit £1.38m.

After tax £250,000 (£282,000) and minorities £20,000 (£18,000), earnings for the half year came to £659 (4.08p). The interim dividend is lifted to 1.35p net (1.25p) at a cost of £89,000 (£82,000).

plans to close Helnemann's distribution centre in Kingswood Surrey next March and to concentrate distribution at the Hamlyn warehouse in Rushden

According to Mr Hamly there had been some improvement in demand for books in recent months and he was "fairly optimistic" about the prospects for his crucial pre-

comment

The recent weakness of the Octopus share price is more a reflection of the original over-indulgent rating than discrissaction with the company's performance. After all who could quibble with a 13 per cent rise in pre-tax profits when the book market is in such a sorry state and adverse exchange rates wipe film or so off overseas earnings? Octopus core activities have been relatively quiet ties have been relatively quiet in the last nine mouths. Thus far Octopus' efforts and energies have been expended on cuiting costs at Heinemann and Hamlyn costs at Heinemann and Hamiyn and integrating the companies within the group. It is only next year that the company's ideas for polishing up the book list and introducing new sales ploys will really be put into practice. Meanwhile the cash pile is mounting and Mr Paul Hamiyn is beginning to ogle areas of educational publishing in the UK and generalist pubin the UK and generalist pub-lishing overseas where Octopus is under-represented. With projected profits for the full year of £23.5m the prospective p/e of 16.5 on yesterday's share price of 480p is starting to look a little low.

ALLIED TRISH BANK said 38.44m shares were taken up in the rights issue, some 91.2 per cent. Shares not taken up have been placed in Dublin and London at 210p per share.

Invergordon **Distillers** profits edge ahead

pre-tax profits by invergordon Distillers (Holdings) in the first half of 1986 was in line with the board's expectations. Turnever improved by 24 per cent from \$12.5m to £15.5km to give a taxable result of £2.12m against £2.0km.

Earnings per share came out at £5.97p (5.94p), and the interim dividend is unchanged at 1.5p. Last year there was a total dividend of 4.75p on pre-tax profits of \$4.55m.

The company is a sub-sidiary of Cartton Industries, the ultimate holding com-pany of which is Hawker Siddeley Group. This year's figures include he results of Charles fackinlay, which was

the results of Char Mackinlay, which a acquired from Scottish Newcastle Breweries November last year. Directors said that production at the grain distillery was slightly above the previous year, but lower prices for fillings reduced its contribution. The demand for

Sales of blended whiskles were again higher with both Glayva and The Original Machkinlay contributing to

the increase. Trading prefit \$2.71m (£2.22m), but intere charges were more than doubled from £214,000 to £592,000. The tax charge was 2552,000 (2852,000), and after dividends absorbed £343,600 (£292,000) the retained profit for the period was higher at £1.62m, against £866,000 last

its first quarter performance, Mr W. S. Jordan, chairman, told the annual meeting. In the annual report the first

Granville & Co. Limited & Lovet Lane London EC3R 88P

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. Application has been made to the Council of The Stock Exchange for the undermentioned securities to be admitted to the Official List. This application is conditional on the passing of necessary resolutions at an extraordinary general meeting of Combined Technologies Corporation plc.

Comtech Finance plc

(Incorporated in England under The Companies Act 1985 No. 2004484)

Issue of up to £7,013,684 nominal of 11½ per cent. Guaranteed Convertible Unsecured Loan Stock 1996 (as to £5,013,684 by way of rights) guaranteed by and convertible into Ordinary Shares of Combined Technologies Corporation plc

Combined Technologies Corporation plc, incorporated in England under The Companies Acts 1948 to 1980 No. 1568845, is the holding company of a group of companies engaged in the distribution of motor vehicles and associated motor trade activities and the development and marketing of new high technology products principally in the information storage and retrieval industries.

Details of the listing particulars relating to the issue are available in the Extel Statistical Services. Copies of the listing particulars may be obtained during normal business hours on any weekday (excluding Saturdays) up to and including 22 October 1986

Comtech Finance plc 2 Victoria Street Luton Bedfordshire LUI 5NI

Hambros Bank Limited 41 Bishopsgate London EC2P 2AA

de Zoete & Bevan Ebbgate House 2 Swan Lane London EC4R 3TS

and also for two days following this notice at the Company Announcements Office of The Stock Exchange.

24 September 1986.

UK COMPANY NEWS

Rising orders at Debfor

Debfor Holdings, the lingerie the Burton Group among its manufacturers and importer customers, made profits of which came to the USM in \$1.38m on a turnover of £8.82m. April, returned pre-tax profits of £838,000 from a turnover of £4.6m for the first six months

No comparison is given but for the 1985 year as a whole the Nottingham-based company, the largest independent bra manufacturer in the country which includes Littlewoods, British Home Stores, Asda and

Allied Plant

turnover by £2m to £7.34m and its profits before tax from £189,613 to £305,433 in the six months ended June 1986.

The results of Trevor Crocker and Pariners, acquired earlier this year, will be in-cluded on a merger accounting

the group's hiring activities, will

deglership in common with the

SEDGWICK GROEP said a total of 47.39m new ordinary and all the new "A" shares had

been taken up, representing approximately 96.64 per cent of the rights issue. The balance was sold in the market and net proceeds will be distributed to holders entitled thereto.

at £0.3m

As promised in the prospec-tus, shareholders will receive an interim dividend of 0.6p net from earnings of 7p per 10p

Mr David Parker, the chair-man, said yesterday that both turnover and the forward order time last year. emerged at £553,000. Divident Furthermore, the major custo-payments will absorb £50,000.

Mr Parker added that the company had traded satisfactorily since the end of June and that the directors looked book were running steadily at half accounted for £51,000 and a higher level than at the same tax for £285,000. Net profits time last year.

Raglan Property up sharply

increase from £72,734 to increase from £72,734 to £463,611 in pre-tax profits for £221,250. The company contine year to March 31 1986, timed to monitor the investment portfolio closely so as to £9.32m. Stated earnings per 1p share doubled to 0.32p, and dividend is raised from 0.085p The increasing level of the the year to March 31 1986.
Turnover climbed from £597,476
to £9.32m. Stated earnings per
1p share doubled to 0.32p, and
dividend is raised from 0.085p
to 0.1p net.

Mr David the year, and rent reviews another

Ragian Property Trust, pro- achieved had been most satisperty development company, factory, particularly in respect yesterday reported a substantil of the warehouse building at increase from \$72,734 to Hatfield where the rent in-

chairman, said gross income of its investment properties from investment properties had encouraged Mr Anderson to increased to £588,549 during believe that it would have

BOARD M	EETINGS

TODAY
interiors: Albany Investment Trust,
Associated Book Publishers, Belille
Gifford Technology, Back of Scotland.
Charles Berker, Beeuford, BEETEC, Glo-
mechanics International Brent Cherai-
cals International, Cakabraed Robey,
Coats Vivelts, Edmond, Fleming Univer-
sal Investment Trust, Hewtel Whiting.
Jove Investment Frust Juliann'n
McLaughlin and Harvey William
Morris Has See Mary Con Tones
Morris, Fins Arts, Moss Gros, Tozer,
Kemsley and Millboum, James Wilkes,
Wold.
Finals: Barratt Developments, Harvey
and Thompson, Land Investors, Logica,
Trafford Park Estates.

FUTURE DATES

ь,	ALE INGS		. 1
L	Cusaina Property Gencora Erith	Sept.	30
ī	F & C Pacific Investment Trust	Sept	25
-	Foward Technology Industries	Oct.	20 I
	Kalon	Oct	31
-	Katon Lilleshall Malina	OCT.	31
-	Rover	Sent.	201
	Thurger Serdex	Sect	20
12	Time Products	Sept	26 5
H.	Gowding and Mills		
	Oowding and Mille	Sept.	25
	Equity and Law International		
Y.	Farmlington Managed Portfolio Kainwort Deveopment Fund		
	Maunders (John)	Oct.	اه
	Morey (R. H.)	Sept	29
	NESCO Investmente	Sept	28
_	Troomorton Secured G'with T'at	Sept	30
7	• • • • • • • • • • • • • • • • • • • •		1

Macallan trebles its first half profits

INTERIM results at Macal-lan-Glenlivet, distiller malt withky reflected an excepsix moz-2s to June 30 1986, but the directors said the increase would not be con-tinued in the second half. In

from £202,000 to £610,000 on turnover up from £2.12m to £3.19m. Trading profits were

antibugh lower that cook and economies of scale were help-ful during the period. Sales of simple mait whisky continued to show a satis-

FINANCIAL TIMES SURVEY

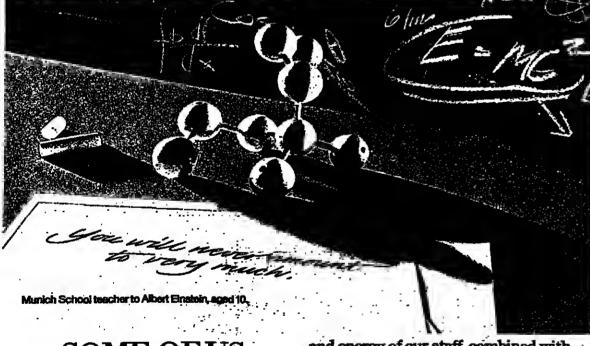
ARAB BANKING FINANCE

OCTOBER 23, 1986

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For further information, contact: Laurette Leconte - Peacock Oversess Department - Middle East Financial Times, Bracken House 10 Cannon Street, London ECAP 4BY Tel: 01-248 8000 Ext. 3515



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THE ADELAIDE STEAMSHIP COMPANY LIMITED 1986 ANNUAL RESULTS TO 30th JUNE 1986



	1985 (A ^{\$} m)_	1986 (A ^{\$} m)	Increase (%)
Turnover	244.37	365,47	49,56
Profit before Tax Tax	55.20 2.49	128.10 32.98	132.07
Profit after Tax Less Minority Interests	52.71 10.74	95.12 11.66	80.46
Group Operating Profit Plus Equity share of Assoc's	41.97 18.22	83,46 33.75	98.86
Total Operating Profit Plus Extraordinary Items	60.19 .28	117.21 6.04	94.73
Consolidated Operating Profit	60.47	123,25	103.82

The annual dividend has been increased to 34 cents per share from 30 cents per share payable on capital increased by the April one for four bonus issue. Final dividend of 18 cps payable November 21. Register closes October 14.

Comment Directors are confident of further growth in profitability in 1986/87.

For further information and copies of the Annual Report contact; T C Coombs & Co, 5/7 Ireland Yard, London, EC4V 5EE Telephone 01-248-2033

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• CHARTERHOUSE JAPHET VENTURE FUND • CITICORP VENTURE CAPITAL FUND • DEVELOPMENT CAPITAL GROUP • • ENGLISH TRUST COMMANY • VENTURE LINK • WELSH DEVELOPMENT AGENCY • WELSH VENTURE CAPITAL FUND •

PERFORMANCE GUARANTEE

USD 57 475 157

(countervalue of FRF 105 260 000, INR 264 983 000,

JPY 2 658 100 000 and USD 7 200 000)

issued by

BANQUE INDOSUEZ

UK COMPANIES

Folkes confident after opening with 11% rise

DESPITE A sluggish start, the Folkes Group pushed up its first half profit by nearly 11 per cent, from £700,000 to £775,000. And chairman Mr Constantine little sign of significant im-Folkes said he was confident provement; while increased con-that further progress would be sumer spending bad benefited made in the second half. For some companies, manufacturing the year 1985 the group pro- in the UK remained fairly duced £2.15m.

The group is involved in industrial property, services, consumer products, and engineering. Its turnover fell

from £31.9m to £29.8m.

Mr Folkes said the results highlighted the progress being made as a result of the restructuring of the group by disposals of activities which were unprofitable or outside the mainstream business, and that policy would continue.

At the same time investment

The chairman said general trading conditions had shown

static.
The oil price reduction had brought advantages in energy cost savings but the benefits of cheaper oil would be slow in coming because there was an immediate edverse effect on investment by companies involved in maintenance and exploration of oilfields which was being felt

by some subsidiaries.

Net profit for the half year were unprofitable or outside the mainstream business, and that policy would continue.

At the same time investment was being made in activities where profitable potential was seen. The group had recently "below the chair man said he was hopeful of a seen. The group had recently "below to still be was hopeful of a seen. The group had recently "below to still be was hopeful of a seen. The group had recently "below the final when the results were known. Hong Kong with a local com-

Better conditions boost Scott & Robertson

group serving the packaging industry lifted its turnover by 10 per cent and doubled its pretax profit in the first half of 1986.

Turnover moved up from £9.8m to £10.82m and profit from £402,000 to £825,000. In the 1985 period the profit was affected by a factory move and relocation and certain operating factors outside the company's control. By the end of that year the profit had recovered to £1.11m (£1.02m).

IN A more favourable trading confident that the outcome for period, the Scott & Robertson 1986 should beat the previous

group—one of the biggest UK based producers of polythene products—lifted its operating profit from £479,000 to £1.06m. But the provision for employees share scheme in respect of annual profit took £100,000 (£33,000) and net interest paid was up to £137,000 (£44,000).

Tax took £303,000 (£160,000) £1.11m (£1.02m).

The directors said yesterday that this year's second half results would not reflect a comparable increase, but they were increase, but they were increase that this year's second half worked through \$2.213 (3.27p) and the interim dividend is 1p (0.9p). and minorities £3,000 (£7,000)

Antler tops £500,000 at six months

Antier, the laggage and travel goods company which made its USM debut earlier this year, raised its pre-tax profits by £49,000 to £520,000 in the first six months of 1986. There is no interim dividend but, in line with the prospectus forecast, a final of 2p net will be recommended. First half earnings amounted to 540 (4.60).

to 5.4p (4.6p).
Yesterday, Mr James Miller, the chairman, said: "As is generally known, the growth experienced in manufacturing industry during the first quar-ter of 1986 levelled off in the Spring, but there are now signs of growth resuming." For the year as a whole the directors expect a satisfactory

Antler came to market in April via a share sale by its parent, Harris & Sheldon, e private helding company.

H & S retained a stake of just

over 40 per cent.
Antier's customers include
Marks and Spencer, House of
Fraser (including Harneds).
John Lewis, Argos and
Selfridges.

Space Planning advances 54% to £0.44m

Space Planning Services saw taxable profits improve by 54 per cent in the year to the end of June 1986. The office design consultancy, which was placed on the USM in June, reported figures up from £286,000 to £441,000. The result was achieved on turnover of £2.01m (£1.48m),

a rise of 35 per cent. The directors say that costs were maintained in a period of substantial growth and despite taking additional premises in central London. Earnings per 10p share came out at 5.95p (3.53p). As stated at the time of the placing there will be no dividend

ing there will be no dividend for the year.
Directors added that although organic growth was continuing the company was also seeking to make acquisitions to widen the range of skills that could be offered.

Operating profit was \$469,000 (£322,000) and the pre-tax figure was stated after net interest nayable of £29,000 (£25,000). The characteristics are also as a second control of £20,000. (£35,008). The tax charge was £179,000 (£127,000).

COMPANY NEWS IN BRIEF

AMERICAN Components, USM-quoted maker of switch and relay mechanisms, reported pre-tax profits of £2.94m on turnover of £10.33m for the year to the end of June 1986. In the six months to June 30 1985 pre-tax profits were £715,000 on £2.04m tury-over. Earnings per share were stated at 2.27p (1.34p). A second interim of 0.525p, in lieu of a final, has already been paid

CAN ELECTRONIC making a total for the year of emis, USM-quoted maker 0.875p.

HILLARDS had continued its encouraging start, with sales some 14 per cent higher. The board remained confident of further increases in sales and profits for the year to April 1987, the annual meeting was told. The new large store at Glossop, Derbyshire, would open in November.

BLUEBIRD TOYS raised turn-over to £3.47m (£2.2m) and pre-tax profits to £119,000 (£88,000) in the six months to June 30 1986. Orders to date are ahead of last year's total sales. First half earnings amounted to 1.26p (0.84p). The company's 10p shares are traded on the USM.

TITAGHUR JUTE Factory reported net losses for the year to June 30 1986 substantially increased from £4.79m to £12.54m on turnover higher at £45.86m against £30.14m. The loss per £1 share came out at 88.1p (337.15p). The directors have decided not to make any depreciation allowance because they considered the assets were worth more than their book values,

ANGLO-EASTERN Plantations reported turnover £724,000 (£303,000) and profit before tax £28,000 (£303,000) for half year ended June 30 1986 — comparison included less than three months trading of estates. It would be some time before oil palm crops had material effect on revenues, so first half result was substantially from rubber and eocoa crops — and price for rubber was relatively low. Recent devaluation of Indonesian rupiah should have immediate beneficial impact on profitability.

A & P APPLEDORE has agreed to purchase Tower Maritime Ship Repair Services and its four subsidiaries from Tower Maritime Group

THE FINANCIAL TIMES

IS PROPOSING TO PUBLISH A SURVEY ON

URBAN RENEWAL

Publication date: OCTOBER 6th

time cruciss waste recing the present on the related but the benefits are being trace you will look at the scale of the pro-

Application has been made to the Council of The Stock Exchange for the entire issued share capital of 7,900,9; Ordinary Sharts of 10p cach in Group Development Capital Trust plc to be admitted to the Official List. This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an office or invitation to subscribe for or populate shares.

GROUP DEVELOPMENT CAPITAL TRUST plc

(Registered in England No. 2030499)

Admission to the Official List of 7,900,952 Ordinary Shares of 10p each by way of an Introduction

The Company is an investment company. It will make investments in development capital opportunities in a wide spread of business sectors including industrial, financial and service companies in the U.K. and overseas. Only in exceptional cases will investments be made in companies in the start up stages of development and then only in companies managed by entrepreneurs with proven records of achievement. The great majority of investments will be made in companies where a product or service has been developed at least to the point of marketing and establishing customer demand. It is intended that the Company will qualify as an investment trust for the purposes of U.K. tagetion. Company will qualify as an investment trust for the purposes of U.K. taxation.

Particulars of the Shares are available in the statistical services of Extel Statistical Services Limited and copies of such particulars may be obtained during normal business hours on any weekday (Saturdays excepted) up to 8th October, 1986 from:—

LAURENCE PRUST & CO. LTD. Basildon House, 7/11 Moorgate, London EC2R 6AH

GROUP DEVELOPMENT CAPITAL TRUST plc 125 High Holborn, London WC1V 6PY

and are also available from the Company Announcements Office, Quotations Department, The Stock Exchange, London EC2 until 26th September, 1986.

24th September, 1986

ANNOUNCING A NEW ISSUE

an exhibition of 18th and 19th century paintings. Visit our stand at The Park Lane Hotel Antiques Fair, Piccadilly October 1st to 6th. Catalogue and details available on request.

Cali Marlow (06284) 6565/6.



Arranged by BANQUE INDOSUEZ

DOWN PAYMENT GUARANTEE USD 86 212 736

(countervalue of FRF 157 890 000, INR 397 489 500. JPY 3 987 150 000 and USD 10 830 000)

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Financial Times Wednesday September 24 1986 35 **INSURANCE, OVERSEAS & MONEY FUNDS** Strail Capital Services U.S.

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Fisheries ministers agree conservation measures

BY TIM DICKSON IN BRUSSELS

EEC fisheries ministers yesterday informally agreed an im-portant package of technical

after earlier proposals by the British presidency had proved British presidency had proved unacceptable to member states. No formal vote was taken yesterday at the end of what Mr Michael Jobling, the President of the Council, described as e "long and difficult" session but it was clear in Brussels that the necessary "qualified majority" in the Council is now in place.

The move has seriously upset

increased in recent years at a beam trawls which are used to time when Britain's has shrunk. hold open fishermen's nets on

Two big stumbling block had

"qualified majority" in the Council is now in place.

The move has seriously upset the Dutch — seldom in a minority where the EEC is concerned — who fear the adverse economic impact of the measures on their sizeable fishing fleet. This has significantly

Two big stumbling block had to be overcome during this to be overcome during this tweek's deliberations—the time-arrangement, the Dutch are understood to be even more concerned about new restrictions on beam trawling for sole and place within the 12-mile zones (in particular the use of

day informally agreed an important package of technical measures to conserve fish stocks in Community waters.

The rules, which mean that many EEC fishermen will have to adjust their net mesh sizes or modify the equipment on their boats, were contained in a compromise plan put forward by the European Commission after earlier proposals by the British presidency had proved.

The compromise, although the bottom of the sea).

Ministers have now sgreed that the minimum mesh size will increase from 80 mm to servation measures introduced before going up to 90 mm, that with the Common Fishermen's nets on the bottom of the sea).

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Ministers have now sgreed that the minimum mesh size will increase from 80 mm to yet the will increase from 80 mm to yet the servation measures introduced before going up to 90 mm, that the minimum mesh size will increase from 80 mm to yet the most significant tightening will increase from 80 mm to yet the most significant tightening will increase from 80 mm to yet the most significant tightening will increase from 80 mm to yet the most significant tightening will increase from 80 mm to yet the most significant tightening will increase from 80 mm to yet the most significant tightening will increase from 80 mm to yet the most significant tightening will increase from 80 mm to yet the most significant tightening will increase from 80 mm to yet the most significant tightening will increase from 80 mm to yet the most sig

effort to curb overfishing.

But the problem of diminishing fish stocks is one that continues to worry scientists and other technical experts. No one in Brussels last night was prepared to estimate the effect of the latest changes but they at least go some way to meeting the concern.

Two big stumbling block had

Saudis to subsidise barley

SAUDI ARABIA is aking steps to control its expensive wheat surplus and cut imports of barsurprise and cut imports of sat-ley by introducing subsidies for domestic barley cultivation. It has also asked the King-dom's five large publicly-owned agriculture companies to switch one third of their production from wheat to barley. Five publicly-held agricultural com-panies accounted for almost 30 per cent of Sandi Arabia's most per cent of Sandi Arabia's most recent harvest of 2m tonnes. King Fahd signed a royal de-cree on Monday granting a SR 1,000 (\$266.66) per tonne subsidy to domestic barley cul-tivation. A SR 2,000 s tonne subsidy is still in place for

With Saudi domestic wheat consumption stable at around 900,000 tonnes a year, and bar-vests climbing to 2m tonnes a

Unfortunately, they have worked too well and the government is paying a mounting bill for unneeded wheat. The SR for unneeded wheat. The SR 2,000 a tome price does not represent tha total government contribution to agriculture. The government also provides low-interest loans for land and machinery, as well as subsidised fuel and electricity for farmers. Consequently, Dr Abdul Rahman Al-Sheikh, Minister of Agriculture and Weter, has called for diversifying Saudi agricultural production.

The subsidy plan is meant to

The subsidy plan is meant to The subsidy plan is meant to encourage domestic production of barley to cut imports. The kingdom imports between 5m and 5.5m tonnes of barley a year. The barley is fed to the kingdom's berds of sheep goats, camels, and to poultry. This is doubly expensive because the kingdom also subsidises these imports at SR 300 (\$80) a tonne. World barley prices now range around \$69 a tonne. No mention

import subsidy will be left in place. Many of the barley im-porters have princely connec-tions. Some observers say the subsidy will be cut but not com-pletely eliminated. One advantage to growing barley is production costs are

lower than they are for wheat, and that no modification to existing agricultural irrigation or harvesting equipment are needed to switch from one crop to the other. The announcement of the new subsidy has been made before planting has begun in all parts of the kingdom, and there is evidence some of the companies were aware that such a decree would be made. Hail Agricultural Development (HADCO) was already experi-menting with barley production. Tha Sandi General Organisa-

sourcests climbing to 2m tonnes a year, and to poultry. This is doubly expensive because the confronted with difficult choices. The agricultural subsidies, aimed at distributing wealth and making the kingdom self-sufficient, are politically shaped on the politically subsidiates these subsidiates these wheat and mills it for resale, will also handlo the barley subsidiates these wheat and mills it for resale, will also handlo the barley subsidiates. The subsidiates these wheat and mills it for resale, will also handlo the barley subsidiates around \$69 a tonne. No mention has been made of whether the

KLCE to widen trading base

widen its base by introducing futures trading on more commodities and a possible joint clearing and/or linkage with commodity exchanges in London, Tokyo and Kobe.

KLCE chairman, sald after tho KLCE annual general meeting, that the exchange planned to introduce futures contracts for palm kernol, processed palm oil, tin, cocoa, and the Kuala

By David Dodwell, recently in Wahan, Central China

COLLEAGUES call Lin Yanping "Chine's king of Ramie." He has played a significant part in mak-ing Hubei Province in Central China one of the world's leading

producers of e crop that was until recently almost ignored, but is today attracting the anxious ettention of protection-

ist lobbies in both Europe and the US.

As the salesman in Hubei's textiles import-export corporation, with responsibility for promoting international sales of

the province's ramie products
—which range from yarn and

piece-cloth to ramie-mix fashion garments—he has seen exports rise from nothing in 1983 to a

point in 1985 when they earned about \$37m (£25m).

Until just four years ago, ramie was grown in small quantities in the hot and fertile central Chinese provinces adjoining the Yangtze River.

Shorter and more bushy than jute, the ramie plant's fibrous stem was processed for use in

tha manufacturer of sacks and

gunny bags. It was innovative textile manufacturers in Hong

methods could make ramie fibre

fine enough to mix with cotton

varn for use in their garment

realised that modern process

THE Kuala Lumpur Commodities Exchange, which was relaunched 8 year ago, plans to widen its base by introducing trace in the plant kernel to be traded early next year. The clearing house, it still provides rules for the plant kernel continue management for the widen its base by introducing trace have been approved, and Malaysian clearing house.

would enable traders to square off their positions with their respective clearing bouse, and this would encourage overseas traders to take an interest in

Ramie joins the textile race

only minor technical problems
needed to be resolved.

Tan Sri Leo said the proposed joint clearing and/or linkage with London and Japanese commodity markets. transaction, to encourage more

Since the RICE's relaunch to identify areas, in industrial packa turnover has picked up steadily and averaged a daily 159 lots of 25 tonnes each for last month.

Although the ICCH no longer of R1.26m for 1984.

MARKETS

juice market perks up

THE ORANGE juice futures market in New York has reawakened after a four-month slumber. Prices have risen sharply since the end of last week, topping \$1.09 cents per lb yesterday in the January position.

Orange

Analysts say the increas stems from a range of factors: Firstly, Brazil — the world's largest orange fuice producer-has been sporadically limit-ing exports, encouraging the US trade to draw down on its ampla stocks.

There has also been uncon

firmed talk that Brazil might raise its export price for tha commodity to levels nearer cur-rent futures prices. This would mean a price rise from about \$800 per tonne to shout \$900.

Thirdly, there is growing speculation that the first production estimata for the 1986/

duction estimata for the 1986/ 87 Florida crop — the world's second most important will show a lower total than was initially expected.

Ms Judith Weissman, an analyst with traders Shearson Lehman in New York, said the estimate, due on October 10. was now expected to range between 130m and 140m boxes. mpared with earlier expects

compared with earlier expectations of 150m.
Volume in the market, however, remains thin. Ms
Weissman says it is only
expected to pick up when the
speculators start to take an
active interest in the run-up to
the traditional Florida frost
season in December.

India plans help for jute industry

MR RAJIV GANDHI, the Indian Prime Minister, has announced a Rs 2.5bn package of measures to help the country's beleagured jute industry modernise its equipment and quality control. equipment and quality control.

Allications under the plan
consist of Rs 1.5bn for modernisation of weaving and finishing equipment and Rs 1bn for
quality control between the
time raw jute is grown to the
finished fabric stage. Customs
duty on imported capital goods
used for modernisation will also
be walved. be waived.

The measures indicate that
Mr Gandhi, who originally,
vowed to close down non-viable
industrial units, is prepared to
vary his approach in important
areas like textiles and jute—
especially in politically-sensitive states like West Bengal,
Under the package, an official to identify areas, particularly in industrial packaging, where jute alone will be permitted as

palm kernol, processed palm oil, tin, cocca, and the Kuala Lumpur Stock Exchange Composite Index.

Currently, the KLCE only deals with cruda palm oil the International Commodities and two grades of rubber, RSS one and SMR 20.

Tan Sri Lee said the new contracts would be launched at the management of take an interest in the KLCE.

Situation of the KLCE only deals with cruda palm oil the International Commodities and unattractive lot size.

For the very Coast has become the visit on the rubber section because of stringent rules and because of stringent rules and the International Commodities an unattractive lot size.

For the very Coast has become the visit of the sixth country to skin t September 30.

LONDON

COCOA futures dropped sharply yesterday on the London Commedity Exchange for the second day as speculators continued to bale out of the market. The drop, which coincided with a similarly precipitous fall in New York, took the December position to £1,488.50 per tonne, down £42.50 on the day. Analysts said the sudday. Analysis said the sud-den wave of long liquidation and stop-loss selling had met little or no buying interest from the industry. Some re-assessment of crops in the Ivory Coast—the largest pre-ducer—may also be occur-ring, following the market's sharp raily several weeks ago in remonse to lower fercessis in response to lower ferecasts of 1986-87 Iverian output. Rebusia coffee futures con-Rajusta coffee futures continued their recent gains as concern resurfaced over dry weather in Brazilian growing areas and there was talk of Brazilian coffee buying in London. The Nevember contract closed at £2,527.50 per tosse, up £20 on the day. On the London Metal Exchange, conver lost some of its recent copper lost some of its recent gains as sterling recovered partially against the dollar, with cash grade A metal dropping £11.50 to £529 per

LME prices supplied by Avalgamated Metal Trading. ALUMINIUM

	Unofficia close (p.r £ per	toune	High/Low
Sesh Smonths	848-50 816-7	-1.5 -0.26	854 512/810
860-1), ti	ren mont	ha 818.5-9	ask 853-4 (815-6.5), (erb close:
-			

COPPER

Grade A	Unoffic'i	+~	High/Low
Cash 5 months	926,5-4,5 951-1.0	-11.5 -10.5	929/928 966/948
Official clo (939.5-40). (961-1.5), se Kerb close:	three	month	951-1.5
Standard Cash S months	904-6 997-8	_10 _11	908

Official closing (em): Cash (913-5), three months 826-9 (settlement 904 (91d). US Pronices 65-68 cents per ib. Total turnovar; 28,500 tonnes.

LEAD

	Unofficial + or close (p.m.) - & per tonne	High/Low
Cash 5 months	277-7.5 -1 261,25-1.5 -0.75	277.5 262/261
(278-8.5), (282-2.5), Kerts elo Turnov	clowing (em): three month settlement 278 (2 set 281-1,5, ar: 8,300 toucher, ms per lb.	s 261.5-2 26.5). Final

1			
		Unofficial 4- or alosa (p.m.) — & per tonne	High/Low
•	Cash 5 months	2660-5 +40 2615-6 +44	2500/2585 2538/2590
	(2,585-40), (2,575-8), Final Kerb	tiosing (em): Casi three months settlement 2,690 close: 2,636-30, 7 1,680 tonnes.	2,636.7

ZINC	twikit be	r ag.	
High stude	Unofficial close (p.m. E per t	+or	High/Low
Cash 5 months	600,5-1,5 604-5		609/604.6 605.5/600
Official	losine (sm	· Coab	400.400 S

GOLD

Gold fell \$5% an euros from Monday's close in the London buillion market yesterday to fielsh at \$432-\$4339. The metal opened at \$436-\$437 and traded between a high of \$437-438 and a low of \$431-432. The atranget of the dullar was offset to some extent by a lurther rise in platinum. Dealern suggested that gold was likely to consolidate in the \$420-440 rauge before moving again.

758 \$4324,45514 (£29714,29614) enling ... \$436.437 (£20114,30214) n'g fb... \$436.15 (£501,036) 'n'n fix \$436.00 (£299,581)

GOLD AND PLATINUM COINS

SILVER

Silver was fixed 1.25p an ounce lower for upot delivery in the London bullion market yeaterday ut 411.5p. US cent equivalents of the fixing levels were spot 555c, down 8c; six-month 612c, down 8.2c; and 12-month 627.3c, down 9.55c. The metal opened at 4107-413p (564-537c) and closed at 4067-408p (587-584c).

Buillon + or L.M.E. + or Fiscing - p.m. Prion Unoffic'i SILVER troy oz LME_Turnover: 39 (8) lots of 10,000

CZ.
Three months high/low 413p-414p,
Final Karb 415-7p. RUBBER

on Ramie and linen goods, so they have realised they face an uphill task in avoiding a similar fate in their own textile trade talks with the US next year,

Land in Hubei committed to ramie doubled between 1985 and 1986, and is likely to increase at a similar pace next year. Output is also likely to double.

HUBBER

PHYSICALS—THE LONDON MARKET opened about enchanged, mer selforg prices up throughout the day and closed quiet and easier, reports Lawis and easier, reports Lawis end Fo.00p (65.00p), Oct 64.00p (65.00p), Nov 64.00p (65.00p), Nov 64.00p (65.00p). The Kusia (Lumpur for price (Melaygelon cares a hillo): RSS No. 1 230.5 (232.0) and SMR 208.5 (207.0).

HUBBER

PHYSICALS—THE LONDON MARKET opened about enchanged, mer selforg prices (buyers) Spot prices (buyers) Spot prices (buyers) Spot prices (buyers) Spot price (Melaygelon cares and 1986, and is likely to double.

US MARKETS

REUTERS closed lower at platinum failed to hold earlier gains, reports Heinald Commodities. Today's sell off occurred as the US dollar gained for the record streight day a factor. Sept 22 Sept 19 North ago Year ago 1526,9 1609,9 1445,8 1726.0 DOW JONES Dow Sept Sept Meth Year Jones 22 18 ago ago (Bass: December 31 1931 = 100) MAIN PRICE CHANGES . to tonnes unless otherwise stated. Sept. 25 + or Month

Auminium _____ \$1545/565 _5 \$1299/29 main buyers. The market continues to show good sup-port around 214 cents basis December with resistance at

Barley Fut, Jan. 2110.1 | -0.4 (2107.40 Maize 2154.00 2150.50 Wheat Fut, Jan. 2111.0 | -0.3 (2108.20 Mo. 5 Hard Wint 2 2 Unquoted. † Per 75-lb flask, a Cents
pound. x Oct. * Cotton outlook.
Nov. 2 Sept-Oct. w Oct-Nov.

INDICES

Cattle prices eased in outbresks in trade salling caused by lower hysical prices and general berrish entiment. Pigmest prices fell due to sak selling particularly in the October calling particularly in the October calling particularly in the October calling particularly in CCCT. LIVE CATTLE . LIVE PIGS 8ept 95.00 -0.50 104.00 -0.20 Nov. 98.00 -1.00 206.80 -0.10 Feb. 98.00 -2.00 99.00 -

COCOA

COCOA

Sales: 6,338 (4,757) lots of 10 tonnes. ICCO Indicator prices (US cents per pound). July price for September 22 36,28 (102,45); five-day average for September 23 101,56 (102,63).

Sales: 8.285 (4.468) lots of 5 tonnes. ICO indicator prices (US cents per pound) for September 22 Camp. daily 1979 186.77 (185.98); 15-day average 180.88 (180.23).

SOYABEAN MEAL Prices remained steady on a weeker sterling with good underlying commer-cial buying. However the upside was limited because of good option hedge selling, reports Mulrpace.

WHEAT

PRECIOUS METAL futures

second straight day a factor which has apparently persuaded some market participants that European Community intended to keep the dollar above the critical DM 3 level. Platinums short lived recovery was linked to strong demand but there remains no fresh influential news. Sugar futures closed strongly higher with sharply increased volume as trade and Commission House buying intensified. A leading trade house was a significant buyer of March but was possibly lightening its position in October through other floor brokers. brokers. A trade analyst attributed much of the buying attributed much of the suying pressure to be playing on contrary opinion. The biggest buil factor seems to be every-body seems to be bearish. Coffee futures closed higher Commission Houses and Trade Houses featured as the

NEW YORK



83,30

High 46,50 47,36 48.40 48.60 48.50 48.70

14.46 14.62 14.60 14.38 14.32 14.32

14.25 13.90 14.20 13.86 14.25 13.96

CRUDE OIL (LIGHT) "
42,000 1JS gallons, 5/ barrel

Ciose 14.40 14.84 14.47 14.38 14.30

44.80 44.10 46.25 46.25 46.70 48.50 48.70

COFFEE " C " 37,500 fb, cents/fb 207.75 208.76 206.50 207.75 208.76 206.50 205.21 206.50 206.60 205.00 206.60 204.50 205.00 206.00 61.35 60.75 61,10 61,50 61,96 62,00 62,76

COFFEE

. 2490-2465 + 17.5 . 2525-2530 + 20 . 2525-2530 + 20 . 2525-2430 + 20 . 2525-2430 + 20 . 2525-2430 + 20 . 2525-2430 + 20 . 2525-2526 + 27.5 . 2525-2526

Wheat was strongly influenced by tine) September trader trade, finding teen merchant seiling pressum ugainst abort covering, with renewal consumer sepport noted in deferred positions. Barley was generally easier after covering on September, Onlabing the sessine with trade selling pressere on ell positions, reports T. G. Reddick. BARLEY

LONDON GRAINS—Wheat; US Dark Northem Spring No. 1, 15 per cent; Northem Spring No. 1, 15 per cent; Ct 96.75, Nov 98.00. US No. 2 Solt 8ed Winter: Oct 97.50, Nov 100.00. French 112-12 per cent; Sapt 130.00. English feed, fob; Oct 111.50-112.00, Oct / Dec 112.50-113.00, Jan / Merch 115.00-115.00 byer/sellers, April/June 119.00 selers. Meize: US No. 3 Yellow/French, transhipment East Court first-half Oct 143.00. Barley: English feed, fob; Oct 113.00-113.75, Oct/Dec 115.00 byer/sellerm, Jen/March 117.00 seller. Rext disquoted.

Susiness done—Wheet: Sept 108.75-7.90. Nov 107.85-7.70. Jan 110.25, March 112.70-2.50. May 115.15-5.10, July 17.00-6.55. Sales: 427 lots of 100 tonnes. Barley: Sept 108.50-7.78, Nov 108.50-8.40, Jen 111.10-1.00, March 113.25-3.00, May 114.10 nely. Sales: 130 lots of 100 tonnes.

HGCA-Locational ex-farm apot prices. Feed Bartey: 8. Eaut 103,20; 5. West 101.70; W. Mide, 103.20; N. West 101.90. The UK monetary co-efficient for the week beginning Moudey September 29 (based on HGCA calculations using 5 days exchange rates) is expected to change to 1,223. **POTATOES**

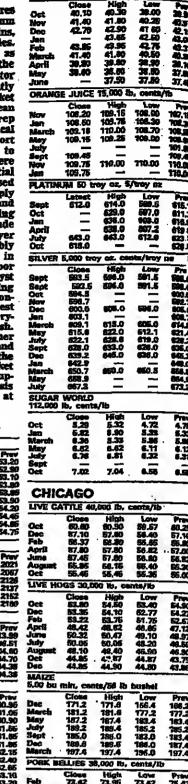
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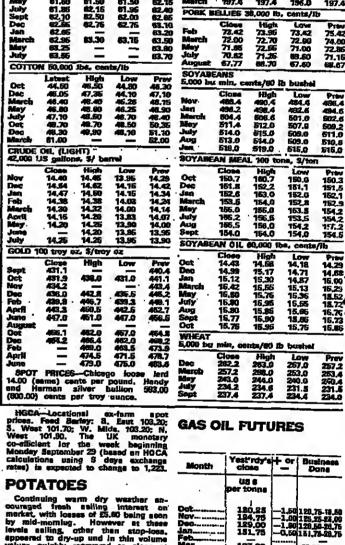
Sales: 969 (1,271) lots of 40

Late September Forties was reported sold around \$18 and Forcados at \$13.20 plue freight. Breat traded thinty in a west market although prices firmed towards the close. November6s WII opened 34 cents down on Nymex und traded 2 cents up at 1.30 pm EDT. In the petroleum products merket Gesoil continued to fall in norvous, futures-led merket. Mogas assessed weeker ne good prompt svallability despits reports of UK buying interest. Nephthe was quiet. Fuel oil was atso quiet with sallers helding out but with buyern bidding lower CRUDE OIL FOR (8 per barrel)

Arab Light

LIVERPOOL—Spot and shipment sales for the week commencing September 15 1986 entourised to 1,505 tonnes, against 57 tonnes in the provious week. (approved demand included business in Pakistael, Colombian, Chinese, Russian,



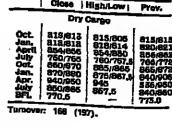


123.00 25,00 Turnover: 3,180 (1,193) lets of

SUGAR LONDON DAWY PRICE—Rew augus \$115.00 (250.50), down \$1.50 (aume) a tonus fer Oct-Nov delivery. White augus \$172.00 down \$1.00. in rate

9 per tonne Oct. 112,4-115,5, 166,3-166,4-119,2-105,0 Dec. 128,6-119,2-120,6-125,0-128,6-128,6-140,0-182,0 May 140,5-140,4-126,3-126,0-140,0-182,0 May 146,2-144,4-126,3-126,0-140,0-182,0 Oct. 165,2-164,8-143,0-145,0 Sales: 2,518 (1,287) forts of 50 tennes.
Tata and Lyle delivery price for smuleted basis augar was £182.00 (asme) a tonne for export.
International Sugar Agreement—(US cants per pound fob and stowed Caribbean ports). Prices for September 22. Daily price 4.47 (4.48); 15-day average 4.54 (4.68). PARIS SUGAR-Dec 1158-1161: March 1184-1165; May 1209-1218; Aug 1248-1250; Oct 1275-1286; Dec 1305-1325.

FREIGHT FUTURES | Close | High/Low | Prov.





and Taiwan were keen to exploit producers, but none has mainths newly discovered loophole, tained the growth pace of so China's farmers — and with them China's own textile manu-

The incentive to exploit ramie might never have arisen had it not been for encroaching pro-tection in the US in recent years. However, as pure cotton and synthetic garments fell world's leading producers of victim to stricted import con-ramie — and that Hubel trol, so it was realised that by province in particular has be-

mixing other vegetable fibres come the leading base for from diversifying into cash crop with cotton or polyester — China's production.

The province's farmers last

As for international demand.

a similar amount — an improvement entirely due to almost 20 Hubei's long, hot summer our exports rapidly now, before the textile and garment manufacturers in Hong Kong, Korea are also emerging as significant cannot be a discount of the middle and service are also emerging as significant cannot be a discount of the complete and the complete and

facturers — stood to gain.

It has been largely due to the likes of Lin Yanping that China has become one of the world's leading producers. rigid agricultural policies imposed under the aegis of Mao Tsetung discouraged farmers from improving farm output, or

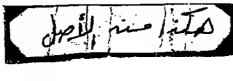
mainly ramie or linen — exporters outld sidestep quota restrictions.

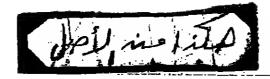
So, for example, Hong Kong's cotton textile and garment exports slipped by 6 per cent in value last year, but overall textile and garment sales grew by

Canna's production.

The province's farmers last As for international demand, talks with the US next year, and talks with the US next year, and crosching protectionist forces to produce 1m dozen ramie leave him and colleagues in a similar pace next the rush time," he commented year. Output is also likely to double.

China is not yet a party to commitments under the multi-fibre arrangement (MFA), but has 5 bilateral agreement with America on textile and garment exports expiring at the end of next year. As Chinese officials have watched the US Administration force big exporters like Hong Kong, Korea and Taiwan into eccepting quota restraint on Ramie and linen goods, so they have realised they face an





CURRENCIES, MONEY and CAPITAL MARKETS

around 55 per cent of its maxi-

seemed sure that there would continue to be a justing for positions ahead of Friday's IMF meeting. The dollar closed at DM 2.0505 up from DM 2.0305.

CURRENCY MOVEMENTS

69.7 110.7 77.3 131.3 96.7 98.1 139.9 168.0 128.9 89.6 47.6 216.8

Sterling
U.S. Dollar
Connadian Dollar
Austrian Schilling
Belgian Franc
Danish Kroner
Deutschn Mark
Swiss Franc
Duffder

FOREIGN EXCHANGES

Pound rises on intervention

STERLING ROSE sharply yesterday afternoon after the Bank of England had intervened to self D-marks and US dollars. E IN NEW YORK The amount of support was probably not very large but the psychological impact was significant and caused a rush to gover short positions. Earlier in the day the pound had touched a record low of DM 29350 and also record low of DM 29350 and also Latest Prev. close 9pot 81.4495-1.446 \$1,4470-1.4480 1 months 9.48-0.465pm 9.46-0.465pm 3 months 1.58-1.485pm 1.49-1.475pm 1.8 months 5.85-5.75pm 3.74-5.645pm record low of DM 2.9350 and also touched its lowest level ever against the yen and on its exchange rate index. The effect of the intervention was made greater because until now there

touched its lowest level ever against the you and on its exchange rate index. The effect for intervention was made greater because until now there had been no attempt to stabilise the pound, with the Bank of England firmly resisting pressure to push interest rates higher.

The pound's exchange rate index opened at 59.0, its worst level ever and at 2 pm was still only at 69.1. However by 3 pm it had bounced back to 69.5 and closed at 69.7 up from 60.5 on Moniey, Some dealers suggested that the Bank may have caught the pound at a point when it was due for a fechnical rebound anyway. If this was the case then the authorities gained maximum effect from their intervention.

Sterling closed at DM 2.9755 and 7224.0 from YZ23.75. Against the Swiss franc it rose to SFr 2.4565, having touched a high of \$1.4545.

The dollar it eased to \$1.4460. The dollar's improvement has the dollar's improvement has continue to be a jostiling for the dollar's improvement has

high of \$1.4545. Here the dollar finished a little the dollar's improvement has below the day's highs but was removed a build up of pressure well up from Monday, shrugging on the weaker members of the off previous apprehension about EMS. The Danish krone is now

POUND SPOT-FORWARD AGAINST POUND 7. 20001014

3.85 1.56-1.51cm
1.73 9.86-0.80pes
4.09 47.45pes
2.73 51.42pes
-11.45pes
-2.21 0.20-0.40dis
5.32 49.45pes
-2.16 85-110dis
-1.48 3-10dis
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DOLLAR SPOT-FORWARD AGAINST DOLLAR

Ode month

EXCHANGE CROSS RATES

3ep. 25; E | S | DM | YEN | FFr. | 2 Fr. | H Ft. | Lira. | CS | 8 Fr. 1,449 8,973 284.0 9,780 2,406 5,860 2050, 2,012 61,55 1, 3,051 154,5 5,706 1,680 2,519 1415, 1,386 48,55 0,358 0,487 1, 75,36 3,270 0,809 1,130 589,7 0,677 20,74 4,484 8,469 13,37 1000, 43,29 10,74 15,00 0102, 6,980 975,8 1.029 1.491 5.058 250.5 10, 2.474 5.457 2109 2.059 65.45 0.415 0.608 1.236 95.14 4.042 1. 1.297 858.4 0.836 25.65 0.398 0.451 0.886 66.67 2.893 0.716 1. 610.1 0.599 18.85 0.488 0.707 1.450 109.5 4.741 1.175 1.689 1090 0.981 30.07 0.497 0.720 1.473 111.4 4.832 1.196 1.970 1019 1. 50.65 1.632 2.550 4.822 565.5 10.77 5.901 0.460 3525 3.263 100.0 Yen per 1,000: French Fr per 10: Lira per 1,000: Beig Fr per 100.

EURO-CURRENCY INTEREST RATES

Sept. 23	torm.	notine	Month	Monthy	Mouths	Year
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8.Fr.(Fin) 8.Fr.(Con) Yen D. Krone Asign 8 (Sng)	67;-71; 64;-714 45; 43; 91; 10 5;3-5/5	71s-75s 71s-75s 6-1-6-2 97s-104s 63s-61s	74-74 73-74 54-54 97-10a 64-64	7/4-7/1 754-774 5-5/1 973-1076 6/4-5/4	74-74 75-74 41-413 01-105 64-54	7-3-7-5 7-3-77-5 4-3-47-5 101-105-6 6-4-6-5
Long-term	Eurodotie	re: Two yes	urs 64-74	per cegt; ti	ree years	74-72 per

cent: four years 72-8 per cent: five years 72-82, per cent nominal. Short-ten
rates are call for US Onliers and Jepanese Yen; others, two days' notice.

FINANCIAL FUTURES

Strong tone

PRICES ROSE quite sharply on the London International Financial Futures Exchange as fears receded of a rise in UK yesterday. Long term gilt futures closed at 113-13 for December delivery, only slightly below the day's peak of 113-14, and well abwe the previous close of 113-15. The contract opened at 111-17, almost the day's low, and was depressed in early trading by the weakness of the pound. Bank of England intervention to around 55 per cent of its maximum divergence whereas last week it was up to 75 per cent at which point central banks are usually obliged to intervene.

Realignments within the EMS are usually preceded by a number of creaks and groans as weak or strong currencies cause more and more distortion but the recent weakness of the krons has been the result of a relatively sudden movement by the dollar, especially against the D-Mark. Before the EEC announcement the dollar had fallen 8; per cent against the D-Mark in ten weeks and nearly 15 per cent since the start of 1996.

US durable goods was more than expected, and the rise of 0.2 per range. Comments by US officials about a rise in durable goods

LONDON SE E/S OPTIONS E12,500 (conts per ET)

CHICAGO

1,4444 1,4387 1,4193 4,3922

CURRENCY RATES Lates 94.78 94.73 94.88 94.52 94.52 84.23 83.63 33.63 High Low 94.76 94.76 94.76 94.75 94.57 94.57 94.57 94.57 94.57 94.57 94.58 93.53 — 93.53 — 14,7170 48,3732 7,89110 2,09272 9,36530 6,85144 1445,01 157,874 7,65516 7,09841 1,66992

OTHER CURRENCIES rg'ting_ 1,8860-1,5816 1,0510-1,0540

CURRENCY FUTURES POUND-S (FOREIGN EXCHANGE)

EMS EUROPEAN CURRENCY UNIT RATES ces are for Ecu, therefore

MONEY MARKETS

London rates continue to ease

NEW YORK RATES

(Lanchtime)

INTEREST rates continued to ease on the London money market yesterday, encouraged by a lite recovery by starling from a weak start. Trading was generally quiet, and although the Benk of England did not appear to give enough assistance, according to the forecast short-lightly lightly bas been reduced poell, president of the Bundes-bank of tax payments make by banks on behalf of central at yesterday's securities repurbles repurbles and although the Bundesbank accepted bids of give enough assistance, according to the forecast short-lightly lightly lightly has been reduced poell, president of the Bundesbank of tax payments made by banks on behalf of the meeting of central at yesterday's securities repurbles repurbles and although the Bundesbank of the meeting of central to the meeting of central banks on behalf of the meeting of central to the meeting of central at yesterday's securities repurbles repurbles and although the Bundesbank of the meeting of central to the meeting of central to the meeting of central to the meeting of central at yesterday's securities repurbles repurbles and although the Bundesbank of the meeting of central to the meetin fall in the note circulation of £50m.

In Frankfurt the West German Bundesbank drained a net DM 2bn from the money market at yesterday's securities repurchase agreement tender. The Bundesbank accepted bids of DM 4.85 per cent. Banks will receive the money today, when DM 6.8bm it withdrawn from the market, as an earlier agreement expires. Banks bid for a total of DM 19.5km at the tender. Dealers believed the draining of funds was technical, and had no bear-UK lending bank base lending rate 10 per cent since May 22

age, overnight funds fell to 7 per cent at the close. Three-month interbank finished at 103-103 per cent, compared with 104-104 per cent, compared with 104-104 per cent, a money market shortage of £100m initially, but amended this to £200m at noon, and provided total assistance of £123m. Before hunch the authorities bought £98m bills outright, by way of £4m bank bills in band 3 at 93 per cent, and £94m bank bills in band 4 at 515 per cent. In the afternoon another £25m bank bills were purchased in \$100.000.

In the afternoon another £25m bank bills were purchased in band 3 at 95 per cent.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £165m. This outweighed Exchequer transactions adding £20m to liquidity and a MONEY RATES

Orreign Mouth Months Months Months Invitin Frankfurt. Farls...... Zurich.....

FT LONDON INTERBANK FIXING (11,00 a.m. September 23) Tires months US deliars Six months US deficts Offer 0 4

Offer 0 Is

The fixing rates are the arithmetic means, rounded to the nearest observation of the bid and offered reactor 510m quoted by the market to five LONDON MONEY RATES

9||-07| 9||-07| 9||-07| 9||-01| 20||-01| 97| 95| 9||-91| 5,00-8,06 6||-51| 7-11 8-84 B3-0 814-874 654-974 10% 1034 Tracia Silla (Buy)

Treasury Bills (sell): one month \$\text{9}^*_2\$ per cent, three months \$\text{9}^*_{20}\$ per cent. Beak Bills (sell): one month \$\text{9}^*_{20}\$ per cent three months \$\text{9}^*_{20}\$ per cent three months \$\text{9}^*_{20}\$ per cent. Treasury Bills: Average under rate at discount 9,585 per cent. ECGO Flazed Finance Scheme IV reference date August 6 to September 2 (inclusive): 9,880 per cent. Iccal Authority and Finance Houses saves days' notice, others saven days' finance Houses Base Rate 10 per cent from September 1, 1985. Beak Deposit Rates for sums at saven days' notice 4,35-4,375 per cent. Certises of Yes Deposit (Series 6): Deposit \$100,000 and over held under one month \$\text{9}^*_2\$ per cent: one-three months \$\text{9}^*_2\$ per cent; three-six months 10 per cent; six-six months 10% per cent; nine-12 months 10% per cent. Under \$\text{C100,000}\$ per cent from September 23. Deposits held under Series 5 10% per cent.

nominated contracts also gaining support from encouraging US economic figures, which boosted US Treasury bond and Euro-delles from rea

about a rise in durable goods orders in coming mouths, and about the possibility of higher interest rates, had little impact. Dealers commented that the market is nervous ahead of the Group of Five meeting in Washington, hoping for agreement on coordinated moves to lower

Culta-Last Mar June 0.89 0.82 0.53 0.50 0.53 0.27 0.26 0.27 9.17 0.18 0.70 0.19

Sept Dec har June
- 0.02 0.12 0.26
- 0.04 0.12 0.26
- 0.09 0.26 0.44
- 9.16 0.26 0.45
- 0.28 0.40 0.71
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Closs High Low Prev
Sept 113-10 112-13 112-13 111-24
Dec 113-13 113-14 111-15 411-25
Harch 113-08 112-13 112-01 111-17
June 113-09 — 111-17
Est. volume 16,605 (10,573)
Previous day's open int. 14,222 (14,336)
Buels quots (clean cash prics of 13%
Tracsury 2004-05 less equivalent price

Close High Low Prev 97-37 97-35 97-15 97-22 97-34 97-35 97-15 97-22 97-34 97-35 97-15 97-22 STERLING INDEX 9.00 am 69.0 19.00 am Noon 1.00 pm 2.00 pm 69.1

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S US 300,000,000 FLOATING RATE **NOTES DUE 1996**

eptember 15, 1986 to March 15, 1987 the rate of erest has been fixed at 8 7/8 % P.A. The interest due on March 16. 1987 against coupon no 1 will be, for the

\$ US 10.000, \$ US 297,01 and, for the denominations of S US 100.000, \$ US 2.970,14 and has been computed on the actual number of days elapsed (182) divided by 360.

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114% NOTES OUE 1988

MITSUBISH ESTATE COMPANY,
LIMITED

USSS.DOD.000

104% NOTES QUE 1992

November, 1955
jed to:
13 Lombard Street
13 Lombard Street
14 London SCAP & M.
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ANG BANKING CORPORATION
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GRUPO INDUSTRIAL ALFA S.A.
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24th September, 1995 to 24th December
1956 the Notes will carry as interes
rate of 19% p.a. and the Coupon Amoun
per U.S.S19,000 will be U.S.252.78.
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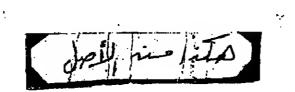
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38 BRITISH FUNDS	AMERICANS—Cost.	Financial Times Wednesday September 24 1986 Engineering_Continued INDUSTRIALS_Continued INDUSTR
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Public Board and Ind. 904 794 here. Nr. 50: 59-89. 874 570 10.11 464 39 Met. Wr. 30: 5 10.49 Financial	BEERS, WINES & SPIRITS 363 222 Allied-Lyons	563 345 Denitri Hidgs. 110 - 543 5 4.8 1 14 17.9 240 140 Rated Electronics 172 - 2 3.03 2.9 2.5 17.7 300 240 Horstern Groups 14.7 5.0 19.5 250 11.7 12.0 11.5 11.5 11.5 11.5 2.0 19.5 2.0 14.0 Horstern Groups 14.7 15.0 11.5 11.5 11.5 2.0 19.5 2.0 14.0 Horstern Groups 14.7 15.0 11.5 11.5 11.5 11.5 2.0 19.5 2.0 14.0 Horstern Groups 14.7 15.0 11.5 11.5 11.5 11.5 2.0 19.5 2.0 14.0 Horstern Groups 14.7 15.0 11.5 11.5 11.5 11.5 11.5 11.5 11.5
95 78-0 to 71-c-2.0069-92 854 836 10.10 114 99-0 to 12-pc tin La 1992 209-2 11.65 11.15 924 78 0 0 74-pc 91-14	550 375 Gross (Matthew) 550 +5 44. 17 5.6 23.5 109 57 Backey's Brev 100 1.00 1.00 1.00 1.00 1.00 1.00 1	130 36 Exercise 20p. 118 142.0 5.2 2 A 16.5 36 25 Resistant 5p. 310 +2 11.5 6.5 10.8 2.7 59. 370 Remitter 10.5 10.8 +3 10.2 2.4 4.3 11.5 17 90 87 Resistant 10.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1
1001 87 Do. Spok 74.95 10.50 1	142 113 Dr.4.Spc.Cv.2m9F_1 137 +2 1976 — 3.3 — 355 265 (Heldeling, Page WL) 381 — 375 42 18.4 3 32 22 18.4 3 38 210 HFNr Smith Trav ACL 325 +42 18.3 3 22 18.4 4 2 3 2 4 14 6 Greenal Whitely 276 −2 18.5 27 4.4 12.3 12.5 100 Dr.5.Spc.CvFS1 18.3 5.59% 81 3 —	130 92 #Gailect 59 146 - 330 \$ 2.9 \$ 615 45 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 5thois: (8th) 590 220 \$ 515 \$ 6 20 \$ 6 2
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37 271 Caterpillar int \$1.00 311.46 34 - 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	50 130 130 130 130 130 130 130 130 130 13	30 April 1



Financial Times Wednesday September 24 1986 INVESTMENT TRUSTS—Cont.
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Fig. 13% 97/02
Araotis
CPI Hidgs
Carrol totis
Dubtin Gas
Hall 18. & 0.3
Helton Hidgs
Irish Ropes
Unidate "Recent issues" and "Rights" Page 43 (International Edition Page 33)

Option *First Declara- Last Account Dealings tiens Dealings Day Sept 15 Sept 25 Sept 26 Oct 6 Sept 29 Oct 9 Oct 10 Get 28 Oct 13 Oct 23 Oct 24 Nov 3

The effects of the heavy drain on investment funds caused by the Trustee Savings Bank shore flotaton became more apparent in Lon-don stock markets yesterday. Fresh reports of n huge public response to the offer of 1.5bn ahares, which heve necessitated heavy withdrawals from investors'

livet were marked 10 higher to 330p following the more-than-tre-bled mid-term profits.

Blue Circle were quieter after Monday's speculative rise, which reflected talk of a possible Australian hid from either Robert Holmes à Court or Alan Bond, and

dropped to 560p et one stage on proft-taking before closing the

session 5 easier on halance at

566p, Elsewhere in Buildings, Walter Lawrence fell 7 to 102p

following details of the proposed

rights issue and vendor placing of

25.75m new shares et 85p per share to finance the acquisition of Poco Properties, a privntely-owned househuilding concern.

Barrati Developments lost 4 at 140p ahead of today's annual results, but RMC moved up 8 to 632p in front of tomorrow's

interim figures. George Wimpey added 8 at 204p, while improve-ments of 3 and 7 respectively were

seen in Taylor Woodrow, 308p, and Redland, 439p. Thomas Warrington advanced 8 to 90p following

demand in a thin market.

Coats Vivella nervous After an encouraging start, leao-ng Retailers encountered occasional offerings and finally settled m the day's lowest levels

expected to reveal pre-tax profits

Several leading building societies suggested that recent cash outflows have totalled sums large enough to take out the whole of the TSB issue. This gave soma idea of the rush for the shares. Quenes were long at TSB bran-ches and the various clearing houses yesterday for the subscription list closes et 10 em this morning. The issue is likely to be oversubscribed many times. institutional investors are still clearly reluctant to direct short-term funds to the sector in the wake of the Monopolies Commission investigation into the "tled" house system. Losses of 5 were common to Whithwead A. 280p, Allied-Lyens, 305p, and Bass, 725p. Regionals provided a rare hright spot in Sunderland's Vanx which improved 10 to 380p with the help of "call" option activity. Among Wines and Spirits, Macallan-Glen-livet were marked 10 higher to

It was not surprising therefore that leading shares yesterday failed to capitalise on early firmness in the wake of Wall Street overnight; tha Dow Jones index rose over 30 poiots. Bine chip issues surrendered early gains with dealars reporting lack-lustre interest from both small and larger investors. Institutional oper-etors seemed content to await betdrift back owing to the hnge TSB

The FT indices began hrightly with the FT-SE 100 shares showing a gain of nine points some five minutes after the opening. This was gradually whittled away and eventually replaced with a net fall, the index closing 7.1 down on the session et 1,610.0. The FT Ordinary share index moved ahead to 1,287.2 before finishing 10.9 lower on balance at 1,271.9. Currency movements dominated the Gilt-edged sector. The early weakness in the exchange rate index—it tumbled to tha lowest ever of 69.0—sent a tremor through the market but prices soon recovered. They went higher later on fresh pointers of e flat US economy and eccelerated more swiftly following Bank of England support of sterling. This was mainly against the D-mark which came back rather quickly late in

Longer maturities encountered renewed support, selected stocks jumping 1½ points and maintain-ing the better tone in the afterbours trade. Conventional shorts were more hesitant and index-linked issues jost appeal to close withfalls ranging to ½.

English Trust wanted

English Trust, in which the United Kingdom Temperance and General Provident Institution holds a 15 per cent stake, ettracted renewed speculative support on rumours of an overseas bid of around £2 per shere and closed e further 13 higher et 153p. Elsewhere in an otherwise sub-dued bank sector, Allied Irish reflected the successful rights issue with e gain of 17 at 215p, after 218p, while Bank-of Ireland

Equities suffer as huge TSB commitment drains funds

Currency developments help Gilts

put on 7 to 190p in sympathy. Bank of Scotland edged forward n penny to 423p in anticipation of today's first-half figures, while other	Cui	re	enc	y	de	eve	10	pn	1er	its	he			
major clearers closed mixed. Nat- west moved up 5 more to 547p and		FINANCIAL TIMES STOCK INDICES												
loyds hardened n few pence to 45p, but Barclays, et 488p, and		Sept	Sept	Sept	Sept	Sept	YEST	19	86 .	Since Co	impliation			
idland, at 570p, softened 2		23	22	19	18	17	290	High	Low	High	Low			
viece. Lloyd's Brokers continued mly on currency considara-	Government Secs	84.51	83.98	84.28	84.12	84458	83.77	94.51 (184)	80.39	127.4	49.18			
ns. Willis Faber added 10 et Dp 8nd Minet put on 9 et 237p,	Fixed Interest	91.24	91_12	91.11	91.88	†92.12	89.10	97.68	86.55	105.A (28/11/47)	50.53			
ile C. E. Heath appreciated 7 at	Ordinary 🛡	1271,98	1,282.	1,269.1	1,2794	1,275.2	982.7	1,425.9	1,094,3	1,425.9	(26/6/40)			
ocal London, placed recently Greenwell Montagu at 135p per	Gold Mines	344.8	357.8	331.2	317.2	AAIE	310.9	257.8 (22/9)	185.7	754.7 (15/2/83)	43.5			
are, made e good debut in tha	Ord. Div. Yleid	4.35	4.32	4.35	4.33	4.35	4.83		S.E. A	CTIVITY				
listed Securities Market	Earnings Yld.%(full)	10.01	9.94	10.02	9.972	10.02	11.85	la la	dices	Sept. 22	Sept. 19			
ady demand took the price up m en opening level of 145p to a se of 152p, for e first-day pre-	P/E Ratio (net) (*) Total Bargains (Est)	12.25 18,041	12.34 18,289	12.24 17,149	12.30 18,734	12.24 20,348	10.44 23,009	Glit Edged Equity Bar Equity Valo	cains	97.8 82.7 762.8	123.8 104.9 1032.8			
im of 17p. reweries gave modest ground	Equity Turnover £m Equity Bargains	_	377.38 12,760	510.99 16,190	560.96 16,746	535.07 17,16 9	404.50 18,162	5-Day Ave Gilt Enged	rage Bargains	118.0	121.1			
extremely thin trading titutional investors are still	Shares Traded (col).		170.3	228.2	228.3	228.6	207.7	Equity Ban Equity Val	gains	1018.4	1195			
arly reluctant to direct short- m funds to the sector in the	♥ 0pening 1287_2	10 a.m. 1283.5		a.m. 90.6	Noen 1275.7		1 p.m. 274.0	2 p.m 1272	8 1	3 p.m. 273.6	4 p.m 1272.			
ke of the Monopolies Commis- n investigation into the " tied " use system. Losses of 5 were	Day's High 128 Basis 100 Gove		-	1271.9. d lot 192		Correctio		12/9/55, 0E	Activity 19	74 -N(t=33	76.			
mmon to Whithread A, 260p, lied-Lyens, 305p, and Bass, 725p.								_	246 8026					

of around £88m. Similar condi-tions prevailed in Bentalls which eased a few pence to 128p in front of tomorrow's interim results. Among Electricals, Grosvenor responded to news of the agreed there exchange or cash offer share exchange or cash offer worth 125p a share from BBA with a rise of 10 at 130p. Sintren eased a rise of 10 at 130p. Sintron eased to 61p before closing 2 off on balance at 63p following the fail in mid-term earnings, but acquisition details left Dowding and Mills a couple of pence better et 40p. High technology stocks gave ground, Eurotherm falling 10 to 275p. Farnell 7 to 163p, and Cambridge Electronic 5 to 215p. AB Electronic, however, rose 9 to 334p; the interim results are expected on September 29. Leading issues settled a few pence easier.

Occasional selling and lack of support depressed Hawker,

support depressed Hawker, whichfeil away to close 16 cheaper at 463p; the interim figures are due on October 22. Elsewhere in the Engineering leaders, Vickers drifted off to

Elsewhere in the Engineering leaders, Vickers drifted off to close 8 down at 405p. Among the secondary issues, Glynwed lost 6 to 296p and Desoutter eased late to finish 5 cheaper at 230p, but buyers showed interest in Brooke Tool which improved 4 to 36p. Features were few and far between in the Food sector. Usignte were prominent in the early stages as opeculative buying pushed the shares up to 295p bid before thy boiled over to end the session 5 higher on halance at 292p. Bewatree Hackintonh improved n few pence at 408p in reply to Press comment. After hours' dealings were enlivened by the resumption of trading in J. E. England after a short suspension; the close was 3 dearer at 53p. following details of the sale of Mosspack (Putatoes) to its.management for £370,000 cash, and the capital reorganisation, after which Mr. P. D. Kempin will hold a settled at the day's lowest levels as fears of dearer money resurfaced. Burton, up to 308p earlier, closed 4 cheaper on balance at 302p, while similar losses were sustained by Marks and Spencer, 201p, and Dixons, 362p. Combined English, due to announce interim results tomorrow, tonched 246p in the initial husiness but later reserted to 238p, a net decline of 3. reacted to 238p, a net decline of 3.

Coats Vivella fell 6 to 488p reflecting nervous selling ahead of today's balf-timer; the compony is capital reorganisation, after which Mr P. D. Kempin will hold a

for want of support. Grand Metropolism relinquished a few pence at 408p and THF eased 2 at 150p.

Pearson active

Pearson, still reflecting the Hutchison Whampos stake, were briskly traded and tonched 533p before closing 6 up on balance at 528p; Westminster Press, part of Pearson, announced yesterday the sale of the Middlesex County Press for £3.5m. Elsewhere in miscellaneous industrials, Morgan Crucible edvanced 15 to 263p after tered profit-taking and gave up 5 to 210p. Steetley eoded a few pence cheaper at 483p, after 503p, following the interim results, while Bluebtrd Toys were also n pence cheaper in 485p, after 1915p, following the interim results, while Bluebtrd Toys were also n shade easier at 225p after the half-year trading statement. Speculative demand left Securiguard 15 to the good at 130p, while Bedyceta were noteworthy for a rise of 12 at 285p. J. Hewitt. favoured last week on the humper half-year figures, met with revived demand and put on 17 to 132p in a limited market. Worcester, scheduled to reveal mid-term results next Tuesday, entire stated to hold initial gains, Beecham closing 3 off at 405p and Glaze 7 lower at 985p, after 982p.

Selectiv, in which. Mr Bobert Maxwell's BPCC holds a 225 per cheapened 5 to 131p following pentitaking ahead of tomorrow's extrage before closing 2 better at 18p wingste dipped 10 to 430p and

near-30 per cent stake in the company.

Hotel and caterers drifted lower

Bossey and Hawkes added 5 at 170p as did Pineapple Dance at Octopus Publishing dipped 15 to

465p as the increased interim pro-fits and dividend were overshadowed by the cautious tenor of the chairman's accompanying state-ment. Elsewhere, McCorquodale ment. Elsewhere, McCorquodale rose 10 to 245p amid hopes that Norton Opax, a couple of peoce dearer at 145p, will receive clearance to resume its offensive; Norton's original hid for McCorquodale was referred to the Monopolies Commission on April 22 this year. Carlien Cammunicatisms reverted to unchanged at 010p, after 900p, as hrokers L. Messel, acting on behalf of directors Mr Crucible edvanced 15 to 263p after Press comment on the half-year figures, hnt Siebe remained oo offer at 785p, down 10, following the Robertshsw Controls acquisition and proposed £225m rights issue. British Aerospace drifted lower on scattered offerings nod lack of support to finish 12 off nt 436p, while Wellcome, a good market of Inte on development hopes for its anti-Aids drug, encountered profit-taking and gava up 5 to 210p. Steetley eoded a few pence cheaper nt 485p, after 563p, following the interim results, while Blaebird Toys were also n

LONDON TRADED OPTIONS

the dollar, prompted a sustained bout of profit-taking in mining markets and especially in South Bullion, which made good prog-ress in New York overnight where

it closed at \$444, opened lower in London around the \$440 mark but couple of firm features emerged among otherwise idle London around the \$440 mark but Textiles. Scottish English and quickly retreated to \$431.5 before ending the session at \$433—a net decline of \$5.75.
Platinum, limit-up in the US, investors took an encouraging view of the company's prospects despite the ceutious tone of the improved to \$605 in London and chairman's statement ot the beld around that level for much of the day. Gold shares were marked down annual meeting. Hopes of further rationalisation within the sector—

last week Sirder announced an at the outset of trading, mirroring agreed share-exchange bid for the initial decline in gold, and fell

attention away throughout the morning umb, finally following persistent selling from Switzerland and London-based Burmatex-directed attention towards Bulmer and Lumb, finally towards Bulmer and Lumb, finally following persistent selling from 11 higher at 1090.

Investment Trusts made fresh institutions. A minor rally around progress under the lead of Far Eastern orientated issues. Firedgeting Japan hardened e few pence to 59p, while GT Japan put on 4 to 212p. Elsewhere, Murray share prices dipped back to close to tha full-year figures and proposed 100 per cent scrip issue. Financials again highlighted MAI which improved 20 more to 400p osed 100 per cent scrip issue.

Financials again highlighted MAI
which improved 20 more to 400p
as investors continued to anticlpate pleasing annual figures
tomorrow.

In the heavyweights Winkelhaak
were particularly weak and fell
away to close almost £2 off at
£14%, while Vaal Reefs dipped a
tomorrow.

Lasmo lose ground

Leading oils made progress dur-ing initial trading, with arhitrage huying in evidence, hut turned easiar in mid-session following news of the steep decline in LASnews of the steep decline in LASMO's interim profits and the
interim dividend omission.
Quoted at 113p immediately prior
to the results LASMO subsequently dropped to 96p with ona
dealer before bear closing triggered n rapid recovery to 110p—a
and decline of 7. The OPS moved net decline of 7. The OPS moved

up 10 to 180p.

RP, which touched 675p early on, fell hack to 568p before edging up late in the day to closa 8 firmer on balance at 670p, while Shell settled 7 better et 910p. 1C Gas, a strong market in recent weeks following intense takeover speculation, eased a few pence to

187p.
Incheape were outstanding in Overseas Tradars and moved up strongly to close better at 435p with dealers climy yield considerations, firm tea prices, hid speculation and huying ahead of Monday's interim results as

monday's interim results as encouraging factors.
The resolute chowing by platinum helped producers edge higher, with gains of 10 common to Impels. 745p and Bestenburg, 810p. In Dinmonds De Beers slipped 12 to 532p while South African Financials were no better than Financials were no better than mixed. "Amoual," n firm market in the past couple of weeks following the EEC's decision not to implement a ban on imports of implement a ban on imports of South African coal, gave up 12 to 575p, Angle American Carperation fell % to £11 and "Amgald" dropped £1% to £55%. East Rand Preprietary were 5 cheaper at 48p. The downtorn in the builton price, which followed a forecast of increased US interest rates towards the end of the year and another strong performance by

dened a shade to a 1986 high of £30% owing to a stock shortage. Chesper priced Golds retreated across e broad front led by Stilfes. tein, 31 off at 497p and Western Areas, which dipped 25 to 310p.

Traded Options

Demand for Traded Options remained at a relatively low ebb. but dealers reported increased support for put positions which osted the total number of contracts transacted to 15,575. Only Hanson Trust, which attracted 1,632 calls and 1,030 puts, recorded a noteworthy turnover.

Traditional Options

- First Dealings Sept 22 Oct 6 Oct 20 Last Dealings Oct 3 Oct 17 Oct 31
- Dec 18 Jan 8 Jan 22

Dec 29 Jan 19 Feh 2

For rate indications see end of

Unit Trust Service

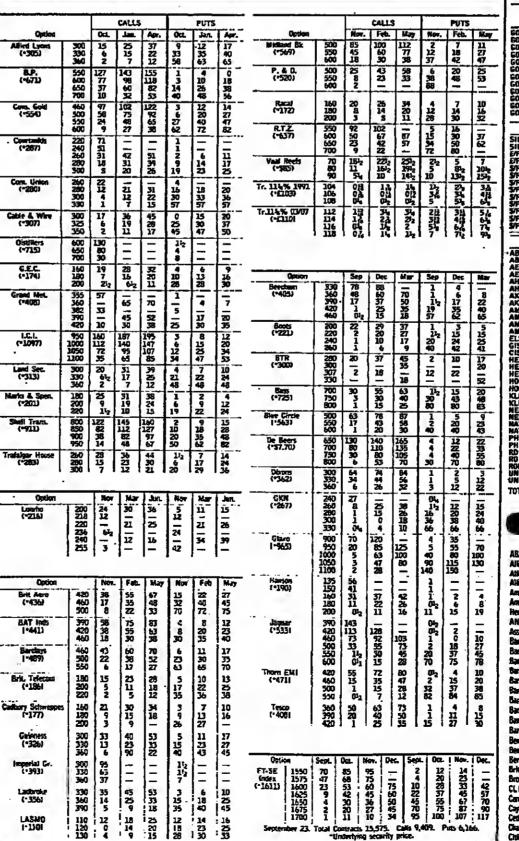
Stocks favoured for the eall included Oliver Prospecting, , Iceland Frozen Pict Petroleum, J. Fronts, Pict Petroleum, J.
Hewitt (Fenton), North Kalgurli, Berkeley and Hay Hill,
Wellcome, Vaux. Spargos,
Camford Engineering, San Oil and Celtic Haven. No puts or



ped 12 to 532p while South African	NEW HIGHS AND	LOWS FOR 1986
ped 12 to 532p while Sonth African Financials were no better than mixed. "Amocal." in firm market in the past couple of weeks following the EEC's decision not to implement a ban on imports of South African coal, gave up 12 to 575p, Angle American Carparation fell % to £11 and "Amgald" dropped £1% to £11 and "Amgald" dropped £1% to £155%. East Band Preprietary were 5 cheaper at 45p. The downturn in the bullion price, which followed a forecast of increased US interest rates towards the end of the year and another strong performance by	NEW FIRGHTS JAILEY NEW FIRGHTS (63) AMERICANES (3) Anadah, Com: Preightways, Speny Gorp. GARADDAMS (5) American Barrick Restorces, Brascare, Ecoh Bay Mines, Golden Society Restorces, Gefisch Gold Mines, BUILLINES (2) Ghits & Dandy A, Warrington (Thos.), CHEMICALS (2) Restorook, Schering AG, ELECTRICALS (3) Alphanorte, NEC Corp. UEL ENGINEERENS (2) Carlo Eng. Hamsson Inde, FOUDS (2) Englend LI E.J., Jacob (W. & R.). INIMUSTRIALS (10) BTIR Hylex, Calvan Light, Hetchison Whampon, Jardine Hidgs, Johnson Matthey, Kamyon Securificis, Restora, Securigizari, Sarby Pazilic A, Worneser, RESHRANGE (3) London United, MEWSPAPERS (2) Heave Int Spec Div. PAPER (2) Harre (Robert) RV A, McClorquodule, PROPERTY (4) CALA, Con- net Estate Appares, Southern Stationn, Woreldhave, Shilpping (2) Curison (Horacu), Tiphout, TEX- FILES (1) Books (L), TRESTS (7) Archimedes	Cop. First Charlotte Assets, Nieuraly Vandares, P. Re Assets Trust, Rureston NV, TR Natural Resont Harvey & Thousaston, GVERSEAS TRABERS lackcape, BMINES (23) Trees 3pc 1991, Trees 2: It. 2016. INTL BANK & USEAS & SUYT 5: ISSUES (31) Malaysis (34pc the 2009, AM ILAMS (1) BASIX Corp. BANKS (2) Lawrence (0 & Spc Cor Red Pyt. Libey (F. J. C.), CMEMICA (1) Morocha, ELECTRICALS (2) Dublier, Wa Kerr, BUTELS (2) Run Hotals, IMPSTERIALS Airprang, Colorges Inc., Starling Inds. PAPER Sanchi & Sanchi, Do 6. 3pc Crv Prf., SRIPPING British & Commonwealth, Fisher (J.), Blift Ducks. TRUSTS (2) Public Assets Trees Set Warrants, 0415 (2) Berkely Expl., Son (J.)
		Royelty.

		_				UAR								
						int co								
		ti	ie Ins	titute o	of Act	uaries	and	the F	aculty	of Ac	tuaries			
												1		
	EQUITY	GROU	IPS	.	Tuesd	ay Se	nte	mher	23 10	86	Mon	Fri	Thurs	Year
	& SUB-SI	CTIC	PME	1		-,				-	Sept 22	Sept 19	Sept 18	(MANUEL)
			-11-5	\vdash	_			C			<u> </u>		-	
ig	ures in parenthes			of		y's Yiel	EUGS	Gross Div.	Est. P/E	nd adj. 1986		I.		
	stocks per	section		Ind	ex De	y's Yiel	4%	Yell%	(Net)	1986 to date	Index No.	No.	Redex No.	No.
				'"	٠ ٣	inge IMa	~ [29%1	1		,	"""	· · · · ·	
Ī	CAPITAL GOOD	S (212) .		676	31 -0	5 9	11	3.61	13.96	13.26	679.66	674.18	681.32	513.82
١	Building Material	5 (26)		794			.88	3.66	14.20	14.81	793.74	789.07		543.74
١	Contracting, Cons Electricals (12)	TLACTION (G17	1199 1780	.85 +0 .93 -0		.67	3.86 4.36	17.51 15.04	23.47 38.58			1201.20	
1	Electricals (12) Electronics (38) .				39 -0	9 10	.05	2.93	13.32	28.35	1474.39	1452.12	1469.26	1274.69
1	Mechanical Engin Metals and Metal						69 27	4.50	11.95	8.99 7.17		372.43 347.24		302.64
ı	Motors (16)			275	34 -0		39	3.68	12.43	5.37	276.87	274.01	276.32	170.16
١	Other Industrial &						31	4.33	16.24			1237.84	1248.23	
ŀ	CONSUMER GRA Brewers and Disti	illers (22))	926 909			93	3.25	15.86 12.73	15.75 14.81			933.63 925.77	680.86
1	Food Manufactur	ing (22) .		692	75 +0	4 9	.65	3.87	13.58	14.08	690.31	687.82	690.78	491.88
1	Food Retailing Cl. Health and House			1937) 1531			56	2.68	22.43 21.25	29.57		1937.01	1969.96 1534.78	1615.48
	Leisure (28)			910	18 -0	6 7.	.77	3.99	16.92	24.58	916.11	902.43	907.86	664.55
1	Publishing & Print Packaging and Pa	ling (14)	***********	2603			51	4.00 3.55	17.21				2626,47	
1	Stores (38)	_		_ 871			.15 .67	2.92	20.33	9.94				354.39 701.56
I	Textiles 1177] 537	.88 -0	.8 9.	54	3.61	12.14	9.64	542.18	538.01	541.70	330.65
i	OTHER GROUPS	(88)		1221 760	20 -0		.54 .93	4.23	8.12 14.42	36.99 16.54	1222.03 763.52		1234.78	721.84 682.88
1	Chemicals (20)			983	41 (-4	.I 8.	94	4.23	13.61	27.96	984.08	983.60	978.87	652.95
١	Office Equipment Shipping and Trac Telephone Netwo	(4)	3)	237	.23 +0 .42 -0		24	4.46	15.44	7.11 31.87	235.17		238.41 1487.18	203.85 1199.31
1	Telephone Netwo	riks (2)		746	85 -0			4.92	11.90	16.67		739.50		900.34
4	Miscellaneous (4)	9)		1051	.45 I −0		65	3.29	18.83				1063.37	829.A5
4	INGUSTRIAL GI	10UP(48	3]	827	46 -0		A5	3.60	15.01				832.96	
1	Oil & Gas (17) 500 SHARE IND						88	3.96	10.22				1334.23 875.80	
+	FINANCIAL GRO	1UP (117	7)	597			$\overline{}$	4.70	14.22	14.57				474.12
ł	Banks (7)			664	95 +0	4 19.	34	5.46	7.15	23.57	662.52	655.73	663.02	456.63
I	Insurance Life) (Insurance (Compo						: (4.60	= .	18.37 9.55	843.59 465.43	835.90 464.08		738.85 359.34
١	Insurance Broke	rs) (9)		1197	.96 +1	1 8.	21	4.32	15.93	24.81	1184.60	1162.29	1160.23	1096.09
١	Merchant Banks (Property (49)						93	4.29 3.72	22.25	5.37 12.71	335.41	334.47 747.56		243.19 663.23
1	Other Financial C	24)		342			03	4.62	13.47	7.05				279.41,
	Investment Trusts Mining Finance (2	s (101)		776. 298.				2.97 5.37	10.92	12.70	771.21 300.61	769.16 294.51		580.40 248.89
1	Overseas Traders	(14)		676				6.44	10.52	24.15	669.51	663.17	287.39 668.00	
1	ALL-SHARE IN							4.07	_		796.77	790.73		623.82
7				Inde	x Da	y's Da	y's	Day's	Sept	Sept	Sept	Sept	Sept	Year
ļ				No.	. Ch	inge Hi	gh	Low	22	19	18	17	16	200
'	FT-SE 100 SHAF	RE INDE	X 🕂	11616	3.01 -7	1 162	12 1	1670'0	1417.1	1600.4	1634.2	1610.4	15%.7	1280.1
								AVED	AGE GR	nee .	- 1	Tues	Man	Year
	FI)	(EB	INTE	REST				REDE	MPTION	YIELDS		Sept 23	Sept 22	(approx.)
_							1-	T = ==			_			
	PRICE	Tues	Day's	Mon	zd ad).	मां औ	1 ,	Low	b Covern	years		9.27	9.27	9.88
1	MDICES	Sept 23	change %	Sept 22	today	1986 to date	1	Couper	5 L			9.99 10.01	10.09	10.13
Ţ,	Iritish Government					-	1 4	Medica				10.77	10.12	10.14
	Years	119.49	+0.14	119.32		8.70	! ;		s 1	years		10.31	10.46	10.46
1.	5-15 years	133.05		132.15		9.79	1 9		25			10.00	10.13	10.74
	iver 15 years	139.45		137.77	_	10.05	1 8	Coupon				10.53	10.65	10.59
L	rredeemables	153.82		152.68	_	8.90	1.5	- ,		years		10.13	10.24	10.27
1	All stocks	130.72		129.94	_	9.54	1.10	Irredet	mables Linked		¶	9.86	<u>- 9.94</u>	9.73
÷	ndex-Linked					1	1 11		rate 5%		yrs	441	4.29	6.0 0.0
į į	years	111.85	-0.21	112.08		2.00	12	inflar	rate 5%	Over!		3.60	3.58	0.0
3	Ver 5 years	113.43		113.84		2.53			rate 10%	6 :	yrs	3.02	2.89	0.0
ı	All stocks	113.11		113.48	_	2,43	_	•	rate 10%			3.43	3.41	0.0 i
L						-		Debs &		5 years. 15 years.		10.83	10.76	11.28 11.23
1	ebestures & Louis	213.33	-0.44	113.83	-	7.51	17			25 years.		1130	1125	11.18
ŧ٠														

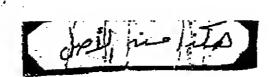
ng index 1626.2; 10 am 1620.1; 11 am 1616.0; Noon 1612.9; 1 pm 1610.9; 2 pm 1610.4; 3 pm 1611.7; 3.30 pm 1610.6; 4 pm 1610.7.

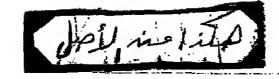


			Nor.		Feb.		May.			
Ser	les	Vol.	Last	Vol.	Last	Vol.	Last	Stock		
BOLD C	\$370	3	TZA	100 53	78	10	89	\$435.0		
COLTO C COLTO C	\$390 \$390		F4		70	=	_			
EOLD C	\$400	39	45	60	51	5	65	-		
GOLO C	\$420	15	29A	61	40.50 32A	3	55			
GOLD C	\$420 \$440 . \$460	64 39 40 153 360. 25 20	29A 21A 150 370 12	61 . 60 68	24	55.205	55 46 37 6	-		
GOLD P	\$360 \$380 \$390 \$400	25	1.50	=	_	5	6	·		
GOLD P	\$390	134	3.70	=	=	-3	12	[:		
GOLD P	5400 5420	340	.7	20	12.508 19	<u>-</u>	=	-		
WOLD F	3420									
			yec.		tar.	L	June			
SILV C SILV P	\$600	30 42 200	35 10	10	75		_	\$596		
EF C EF C	FL335	200	5.50	=	=	=		F1.357.0		
EFF C	FI 355	_	Q SING	35	1.80	_	-			
SYFL C	\$600 \$550 FL355 FL355 FL225 FL230 FL245 FL250 FL250 FL250 FL235 FL235	227 1818 112 56 42 139 22	9.508 6.80 4.508 1.90	25751315	9	1111	10.80	FL231L9		
SFL C	FL235	175	4.508	7	7.30 3.60B	_		:		
S/FLC	FL250	42	110	í	2.608 4.70	=	=	_ =		
S/FLP S/FLP	FL220	139	2.40 4A	3	4.70 6.50A	I —	_	=		
S/FL P	F1.230	157	6	5	8.60	1 7	11.30A	<u> </u>		
S/FL P	FI.235	39	8.8GA	<u> </u>		Ē		-		
			Oct.		lan.	Γ	Apr.			
ABN C	FL580 FL560 FL180	288 215 238 238 213	5.60 9.90	61 140 137 32 15 75 777 191	21.50 16.202	20	13.50 20.50 9.108	FL559		
AEGN C	F1.180	238	4	137	16.202 • 8.30 4.50 8.30 3.50 5.40A 6.50B 2.30	10	20.50 9 108	FI.101		
AEGN P	F1100	2113	2.80	32	4.50	107				
AH P	FI.90 FI.90 FL160	386 306 264 683	1.70	75	3.50	10	10.508 5.50 8.30	FL93.9		
AKZO C AKZO P	FL160	264	1.70 3.40	777	5.40A	89	8.30	FL150.5		
AKEV C	F1.150 F1.85	_		63	2.30	10 89 54 16	4.30	F1.75.8		
AMEV P		103	2 404		7	38	8.50			
AMRO P	FJ.05	293 140	8.20	85	8.20	_	_	FL97.90		
GIST C	F1.240	84	108 2.40A 8.20 1.50A 1.80	46 85 27 237	7	15	12.50 6A	FI.222.5		
CIST P	F1.52	84 223		45	4.40 4.30 15	_		FL49.4		
AMRO C AMRO P ELSV C GIST C CIST P HEIN C HEIN P	FL105 FL240 FL50 FL52 FL170 FL180	50 513 513 950 174	8.90A 5.50 11.50 0.20 15.50 0.80	45 11 53	15 8	15	18.50A	FI-176.8		
HEO C HOOG C HOOG P	FL165	30	11.50	_		_	_	-		
HOOG P	FL205	513	0.20 15.50	315	0.50	410		FI.64.64		
KLM C	P.180 P.165 P.105 P.180 P.180 P.180 P.180 P.180 P.186	990	0.80	2 315 357 78 97 15 81 91 1684 153 681 547 10	0.50 15.50 2.80 2.208 5.80 2.20 4.20	46	15.50	FL47.3		
KLM C KLM P NEDL C	FL45	174	0.70	78 97	2.208	4622256	2.808 1D 4.50 6.50	-		
NEDL P	F1.160	15 52 59	0.50	15	220	5	4.50	FL1768		
MATN P	FI.85	117	3.70	81	4.20	6	6.50	FI.82.80		
PHIL C PHIL P	FI.55 FI.50 FI.210	117 859	3.70 1.40 0.50 2.80 1.40	1684	3.20	148	4,90	FI.53.70		
RD C	FL210	731	0.50 2.80	153	3.20 1.90 8.70	148 36 177	4.90 2.50 13.50			
20 B	F1.200	836	1.40	547	4	116	13.50	FL206.9		
ROBE P UNIL C UNIL P	F1.200 F1.95 F1.500	20 266	550	10	3.90 26 12.10	17		FI.92.50		
	F1.480	201	4.50	96	12.10	l "í	37 17.50A	FL493.5		
OTAL VOLUE										
TOTAL AGEOR		RACTS: A=Ask	49,127 B=8kt	C=		- Put				

BASE LENDING RATES ABN Bask. 10 Allied Arah Bit Ltd. 10 Allied Doubar & Co. 10 Allied Irish Bank. 10 American Eup Bit. 10 Bank Hapoalinn 10 Bank Assackers (UKD 10 Bank Credit 6 Corny 10 Bank G Cyprus 10 Bank of Cyprus 10 Bank of Cyprus 10 Bank of Ireland 10 Bank of Scottant 10 Bank of Scottant 10 Benginsant Tist Ltd 10 Benginsant Tist Ltd 11 Benginsant Tist Ltd 11 Benginsant Tist Ltd 11 Benginsant Tist Ltd 11 Benginsant Tist Ltd 10 Benginsant Tist Ltd 11 Benginsant Tist Ltd 10 Benginsant Northern Back Ltd... Northern Back Ltd... Northern Trest PK Finans, Intl (UK) Provincial Trest Ltd... R. Raphael & Sons... Continental Ts; Lis 10 Co-operative Runk 10 Cypus Poptate Rk 10 Dancan Llowie 10 E. T. Trist 11 Equator 1 Ts; Crp pt 10 Eveter Trist List 10 From Rote 10 Frest Nat. Fig. Corp 11 First Nat. Sec. List 11 Robert Fresting & Co 10 Robert Fresting & Co 10 Robert Frazer & Ptr 11 Gendleys Rank 10 Guinnes Mabon 10 Hardiable & Gen Tst 10 Herdiable & Gen Tst 10 R. Raphael & Sors 10 Roxal Bit of Scotland 11 Royal Fix Co Casada 10 Standard Chartered 10 Trustee Sarings Bok 10 Unstee Sarings Bok 10 Unsteed Bit of Kawan 10 Unsteed Bit of Kawan 10 Unsteed Bit of Kawan 10 Unsteed Micraln Bank 10 Westpac Botting Corp 10 Whitemay Ladlam 10½ Yorkshire Bank 10

e Handros Gard. 10
Heritable & Gen Tst. 10
Hill Sasue! 510
Hill Sasue! 510
Hongkong & Shangh' 10
Kupasker & Co. Ltd 369
Lloyds Bard. 10
Meghraj & Sons Ltd 10
Mutabod Bard. 10
Morgan Grenfell 10





	WORLD STOCK MARKETS												
, i	AUSTRIA Sept. 25 Prics -+ or Sch	GERMANY Sopt. 23	Price + or	NORWAY Sept. 23 Price Kroner		tioned) j	APAN (continued) Sept. 35 Yen —	CANADA					
•	Gredit'nst't pp 2,800	ATEO. Allianz Vera. AASF AASF Sayer-Hypo Rayer-Verein SHF.Bank STOWN BOVER GOMMETZBANK Jont'l Gummi Daimler-Banz Degussa. O'sche Baboook Deutsche Banh Droedher Banh	294.7 +8 690 +21 560 +13 520 +10 515 +17 308 +5 535.5 +5.5 224 +5.8 1,354 +38 491.5 -0.5 198 -1.5	Bergens Sanh 171 355 190 51 190 51 190 51 190 51 190 51 190 51 190 51 190 51 190 51 190 51 190 51 190 51 51 51 51 51 51 51 5	Mayne Nickless 5. Nat. Aust. Bank. 5. News	2 +0.2 N 36 +0.18 N 25 +0.65 H 06	NI	88214 AMCA int 5147, 147, 147, 147, 147, 147, 147, 147,	Bath A \$24, 249, 249, 4, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,	25966 Lebett 822% 18674 Lt. Lac 520% 1114 1155 Leidlaw A 515% 18655 Leidlaw A 515% 18650 Leidlaw A 515% 18650 Leidlaw A 515% 18650 Leidlaw Co 511% 7850 Lewonics 517% 1114 7850 Lewonics 517% 1114 114 114 11	Sales Cheg Sales Sack High Low Close Cheg		
de Contraction	Bang, irt.A.LUX. 15, 100: Sekser 1. 15, 750: +76 Siment CSR. 5, 820: +10 Cocleriii 163: +5 Balhalza 3, 150. +50 EBES. 4, 750: +50 EBES. 4, 750: +50 GB Inno BM 7, 500. +125 Generale Bank. 6, 550. +126 Gewert 6, 550. +00 Gewert 1, 5, 500: +126 Gewert 1, 5, 500: +126 Gewert 1, 5, 500: +126 Gewert 1, 16, 850: +250 Kred letbank 16, 850: +250 Pat Helding 11, 200: +200 Petrofins 2, 180: +180 Royale Saige 3, 500: +50 Soc. Gen. Seige 3, 500: +50 Soc. Gen. Seige 3, 500: +50 Sorins 1, 300: +270 Stanwick Intil. 250 Tractionel 5, 750: +50 Wagons Litz. 5, 750: +50 DENMARK	Feld-Mushire No- Henkels	307 +4 445 +12 1.125 -15 265.3 +5.3 150 +2 272 +4 293 +14 595 +7.5 438 +14 591 +15 78 +1 187.5 +0.5 289.8 +5.5 1103 +28 1178 -0.5 1,103 +28 345.5 +5.5 2490 +10 688 +15 1,039 +28 309 +6 211 +5.5 380 +6	Hidrola	HONG KONG	7xe +0.07 10 10 10 10 10 10 10	Second S	1820 Assenters Sept Se	Res 155 355 135 aon A p 35% 0 94 + 1, son B 1 55 0 94 + 1, son B 1 55 0 94 55 + 23 son B 1 55 0 94 555 + 23 son B 1 55 10% 10% 10% 10% 10% 10% 10% 10% 10% 10%	17521 Macmilan \$881, 467 Macmilan \$881, 467 Macmilan \$289, 401 Marhima 1 \$153, 401 Marhima 1 \$154, 401 Mar	15		
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ļ	RediCr 5111-76111-181	2 + 3 Signata 24 Signa	10 590 85% 10 10 10 10 10 10 10 10 10 10 10 10 10	1 1 1-10 + 10 TCAs 18 144 144 - 3s TCAs 18 1234 234 - 3s TCAs 18 2234 234 - 5 Tac//r 234 234 - 5 Tac//r 255 65 - 5 Tac//r 256 55 - 5 Tac//r 270 271 - 14 Tecono 20s 271 272 - 14 Tecono 20s 271 272 - 14 Tecono 20s 271 273 - 14 Tecono 20s 272 273 - 14 Tecono 20s 273 273 - 14 Tecono 20s 274 275 - 14 Tecono 20s 275 275 275 - 15 Tecono 20s 275 275 275 275 275 275 275 275 275 275	140 23\(^2\) 22\(^2\) 22\(^3\) = 141 425 34\(^2\) 34\(^2\	Woodhd 60 Worthge 48 Writer 15e	30 721 944 259 24 - 3 31 10 20 104 20 10 1052 455, 4419, 4419, 74 94 55, 51 45, - 419 74 155, 1554 154 - 1 24 55 11 105 11 + 1 16 400 265, 28 28 255, + 1 12 340 65, 68, 64 - 1 15 107 187 187 187 187 187 187 187 187 187 18	events likely to influence supply and demand for shares for the rest of the year and undermine the bull market that has run since early summer, writes Shigeo Nishiwaki of Jiji Press. One is the public sals of shares in Nippon Telegraph and Telephone (NTT), which was privatised in April 1985. The Japanese Government is planning this year to sall 195m of the outstanding	coupon rate has slipp cent range, the lower six-month period to tible bond issues Y1,048.5bn. Rumour has it the Power, Kansai Elect and Toshiba will issue worth Y100bn each year. Before next Macurrent fiscal year, spass the previous his corded in fiscal 1984. Analysts are split these three events of	sed to the 1 to 2 per st on record. In the September, convertotalled 68 worth that Tokyo Electric tric Power, Hitachi the convertible bonds by the end of this earch, the end of the such issues will surgh of Y1,611.5bn reover the impact of a the stock market. of Nikko Securities He reasons that interest and the because the Government of the stock market.	and gold stocks took Sydney higher and the All Ordinaries index posted a 10.4 point rise to 1,234.1. Much of the interest focused on ACI International following a placement near the close of more than 3.9m shares at A\$3.66. Brokers speculated that the buyer could be Westfield Capital Corp (WCC), which recently bought a 7.5 per cent stake in ACI from BHP. WCC is believed to be friendly to the diversified packaging group. ACI shares closed 2 cents firmer on the day at A\$3.72. SOUTH AFRICA PROFIT-TAKING continued to push gold shares lower although some buying interest emerged later in the day to lift		

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LONDON (in pence unless otherwise indicated)

1.75m shares in November. Enthusiasm for NTT shares is so great among individual investors that some securities firms have already begun secretly lining up would be buyers, although the Finance Ministry has

repeatedly asked them not to do so.

The solid popularity of NTT shares seems almost certain to make the Government set the offering price between Y800,000 and Y1m a share, pumping Y1,500bn to Y2,000bn (59.8bn-\$13bn) into

the Treasury.

The issue of coins to commemorate the 60th anniversary of the Emperor's

corded in fiscal 1984.

Analysts are split over the impact of these three events on the stock market.

Mr Yoshio Ogawa of Nikko Securities takes a bullish view. He reasons that individual outlays for NTT shares and coins will not be large because the Government will limit new head much because the consequences. ernment will limit per head purchases to achieve as wide a distribution as possible, and buyers will in many cases draw on bank deposits. Increased convertible bond issues would have little impact on the stock market, given its current bullishness.

However, Mr Tadashi Kusume of Nomura Investment Management says the three events could bring the stock market to a turning point. He points out

SOUTH AFRICA

PROFIT-TAKING continued to push gold shares lower although some buying interest emerged later in the day to lift them off their lows by the close. Vaal Reefs lost R10 to R370 and Southvaal was off R7.50 at R174.50, but Randfontein ended back at an unchanged R455 after dropping R8 earlier. Western Deep bucked the trend to gain R2 to R191.

Mining financials and most other mining stocks eased in sympathy and Gencor was off R3 at R64.50, while De Beers lost R1 to R33.50. Industrials were

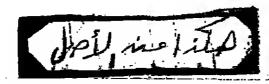
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Continued on Page 43



NYSE COMPOSITE CLOSING PRICES AMEX COMPOSITE CLOSING PRICES

FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

A pause is taken to draw breath

MARKETS drifted yesterday on Wall Street in moderate trading showing little follow through from the previous day's upturn, writes Roderick Oram from New York.

Continuing recovery in the dollar and some encouraging economic data helped push bond prices a notch higher but the improvement was less marked in stock

The Dow Jones industrial average closed up 4.36 at 1,797.81, although it did not reach positive territory until the last hour of trading. Rising shares outnum-bered falling by a small margin on vol-ume of 132.97m shares.

Broader market indices showed similar gains with, for example, the New York Stock Exchange composite up 0.55 points at 135.60. Transportation was the strongest sector for the second consecutive day with its Dow index putting on 9.75 points to 794.38.

Trying to read something into the 35 point rise Monday and yesterday, however, is "like taking a pulse for five seconds and saying it is a medical examination," said Mr Laszlo Birinyi of Salomon

"The market's not doing anything but that's not negative or positive. It is a mending market and we need to give it a little more time to settle back and catch its breath," he said.

Among the blue chips, IBM was up \$% at \$139%, Sears Roebuck up \$% at \$41%, American Can ahead \$% at \$83%, while General Electric was off \$% at \$72 and Du Pont unchanged at \$81%.

The main interest in an otherwise lacklustre day came from takeover bids. Western Pacific Industries surged \$10% to \$172% after Danaher, up \$% to \$11, said it was willing to buy the company for not less than \$165 a share. An inves-

Tokyo markets were closed yesterday for a public holiday. A special report on the outlook for share prices appears on Page 41 together with further stock mar-

tor group announced an agreed buy-out last weak at \$155 a share.

Ryan Homes jumped \$7 to \$50 on news that NVHomes, a competing house builder, had begun a \$45 a share offer for it. NVHomes rose \$1% to \$12.

First Pennsylvania gained \$2% to \$9% after Marine Midland said it was taking a stake in the banking group. It will take control within a year of new banking laws in New York State and Pennsylva nia allowing such acquisitions. The deal could be worth in excess of \$600m, Marine Midland eased \$1/2 lower at \$46%.

AT&T was the most active issue on the New York Stock Exchange rising \$% to \$24. The share which yields 5 per cent annually trades ex-dividend today.

USX remained among the most active issues although the fall in its share price accelerated shedding \$2 to \$231/4. It announced on Monday an investment bank review which could lead to a corporate restructuring. Its shares rose rapidly last week on reports that corporate raiders were buying stakes.

Borg-Warner climbed \$2% to \$34% on news of a higher dividend

Credit markets were buoyed for a second day by the continuing recovery of the dollar from last week's sharp fall. They were also encouraged by a smaller than expected rise in August's consumer price index and an unexpected contrac-tion on few factory orders. Taken together they ease some of the concern about accelerating inflation rates.

With the economic data released before the New York market opened, the upturn was seen first in Europe before it carried through to the US. Bond futures in Chicago rose almost a point although eased back later.

In the cash market, the price of the benchmark 7.25 per cent Treasury bond due 2016 gained % of a point to \$941%; at which it yields 7.72 per cent. Larger price rises were seen in other long bonds while the short end was basically

unchanged.

Treasury bill yields eased one basis point with three-month bills yielding 5.25 per cent, six-month bills yielding 5.38 per cent and year bills 5.48 per cent.

BROADLY LOWER early trading set the tone for the day in Toronto as pre-cious metals, which had bolstered the market in previous sessions, turned lower on easier bullion prices. Dome Mines lost C\$% to C\$10, Echo Bay C\$% to C\$30% and Lac Minerals C\$% to C\$6%.

Metals and mines followed golds down, with Inco off CS% at C\$19%, Falconbridge easing C\$\% to C\$19\% and Nor-anda dipping C\$\% to C\$21\%.

In Montreal, banks, industrials and mines lost ground while oils and utilities edged higher.

Blue chips rally fuels Frankfurt

A STRONG RALLY among blue chip stocks took Frankfurt higher again in one of the more active of recent sessions. The Commerzbank index added

39 to 2,019.4. The advance was triggered by a sharp rise in Deutsche Bank following market rumours that it was underwriting the placement of Libya's 15 per cent stake in

Fiat, the Italian carmaker. The Deutsche share price jumped DM 33 to end at DM 805.50, having traded as

high as DM 812 at midsession.
Other blue chips like Daimler, DM 38 higher at DM 1,264, and Siemens DM 17.50 ahead at DM 680, took their lead from Deutsche and dragged other lead-

ing issues with them. Earlier in the day, the strength of the banking sector was attributed to renewed interest rate speculation after re-ports that Mr Karl Otto Pöhl, the Bundesbank president, was delaying his de-parture for the Washington IMF meeting to chair tomorrow's council meeting. But by the end of the day, a consensus was emerging that the central bank was unlikely to cut its key discount rate this

week.
Bond prices ended a quiet bourse session firmer amid the renewed speculation on the outlook for interest rates. The Bundesbank sold DM 100.9m of paper after purchases totalling DM 158.3m

the previous day.

In Milan, Fiat added L610 to a record.
L16,600 ahead of higher group results, while IFI, its parent company, climbed L1,020 to L32,510.

A broadly based rally throughout the

market also benefited from a L110 advance to L3,260 for Montedison following market speculation that a reshuifle in the controlling syndicate of the chemical group may soon materialise.

Paris was higher in active trading, re-flecting the start of the October account which allows investors to buy on one month's free credit.

Construction issues showed strength with Bouygues FFr 75 ahead at FFr 1,345 and Colas FFr 87 higher at FFr 950. Amsterdam was also higher but light turnover in many stocks reflected continuing uncertainty over future price

trends for both Dutch and US stocks. In Brussels, busy trading saw shares advance across a broad front, with particularly strong gains for blue chip industrials and chemicals.

Sizeable foreign buying returned with particular interest in holding com panies. GBL put on BFr 125 to BFr 3,600, in the middle of the year's price range, and Reserve added BFr 50 to BFr 3,080. But Gevaert went against the trend after its strong rise on Monday, losing BFr 40 to BFr 6,350.

Caution continued in Zurich with Swiss investors still uncertain that Wall Street could sustain its upturn. Selective foreign interest, however, helped take shares to a marginally higher close. Alusuisse rose SFr 25 to SFr 615 after the company said it expected further substantial losses this year but did not immediately announce more major write-

Banks finished unchanged or slightly higher while Swiss bonds closed steady. Stockholm closed lower in quiet trading with many institutions sidelined after public sector unions announced selective pay strikes. Electrolux headed actives, edging down SKr 1 to SKr 297, while Ericsson slipped SKr 2 to SKr 231 and Fermenta fell SKr 5 to SKr 117.

Oslo closed marginally lower after gains on insurance stocks were offset by losses on the oil index. In Madrid, quiet trading saw the bourse general index close 1.13 points lower at 191.37 as banks, utilities and communications all

LONDON

LONDON was preoccupied by evidence of a huge drain on investment funds caused by the Trustee Savings Bank's flotation of 1.5bn shares this week. Several leading home loan institutions suggested that recent withdrawals were large enough in total to take out the whole of the TSB issue.

The FT Ordinary index finished 10.9 lower at 1.271.9, while the FT-SE 100 index saw its early gain whittled away to close 7.1 down at 1,610.0.

Early weakness in the exchange rate index sent a tremor through the Gilt edged sector but prices soon recovered to rise on fresh pointers to a flat US economy and after Bank of England

support for sterling.
Longer-dated Government securities encountered renewed support but shortdated stocks were more hesitant and in-

dex-linked issues lost appeal. Chief price changes, Page 41; Details, Page 40; Share information service, Pages 38-39.

HONG KONG

STRONG foreign institutional demand again took Hong Kong higher during a heavy day's trading. The Hang Seng in-dex rose 39 to 1,992.60, just short of the record 1,997.92 set on September 11.

Hutchison Whampoa continued an active spot in reaction to its stake in Pearson of the UK. Hutchison's shares added HK\$1.25 to HK\$35.75 while Cheung Kong, its parent, gained 80 cents to HK\$28.

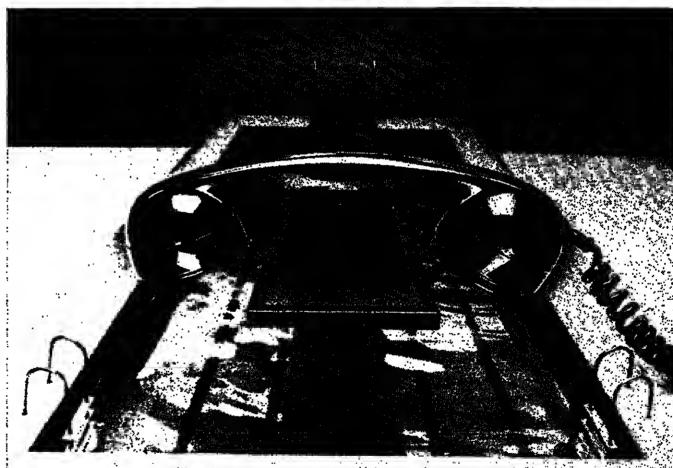
SINGAPORE

A BROADLY BASED advance was registered in Singapore, underpinned by bargain hunting and short covering.

The improvement began during the morning, as small investors sought some blue chips and trustee stocks, and picked up as the day progressed.

The Straits Times industrial index advanced 9.62 to 819.82 on turnover that rose from Monday's 11.7m shares to

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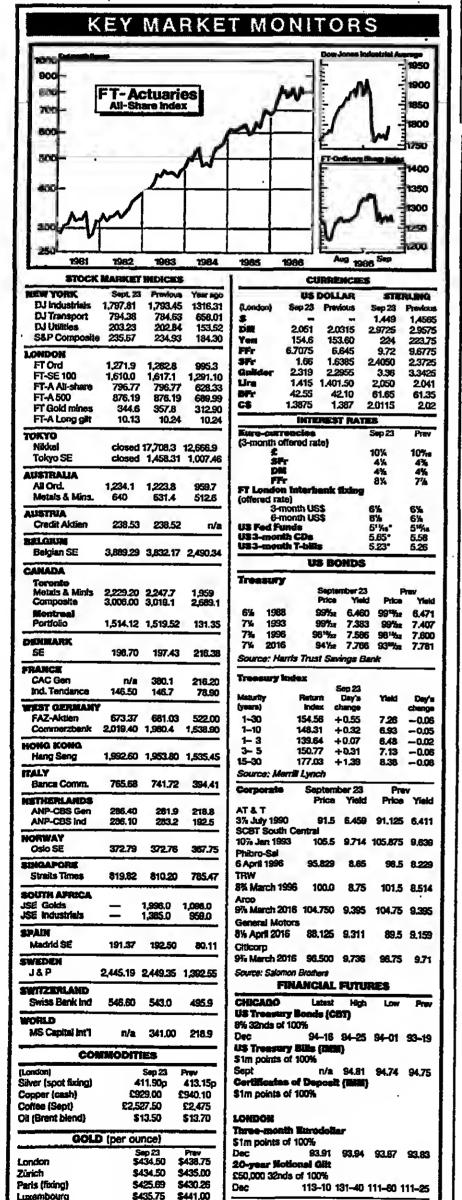


POOL HEATING

If you're answerable for overheads in any local authority. you can't afford to ignore the new developments in gas technology that will help your organisation improve performance and cut running costs. Look Into a future with gas. Dial 100 for Freefone Gas, and ask for a free appraisal of how changing to gas can fulfil your energy needs. For today and tomorrow.







\$440.80° \$445.20

* Latest available figures

New York (Dec

